DOMINION OF CANADA

OFFICIAL REPORT

OF

DEBATES

HOUSE OF COMMONS

FOURTH SESSION—FOURTEENTH PARLIAMENT

15-16 GEORGE V, 1925

VOLUME I, 1925

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1925

CANADA

House of Commons Debates

OFFICIAL REPORT

HOUSE OF COMMONS

Speaker:
The Honourable RODOLPHE LEMIEUX

Thursday, February 5, 1925

The parliament which had been prorogued from time to time to the fifth day of February, 1925, met this day at Ottawa for the despatch of business.

The House met at three o'clock, the Speaker in the chair.

APPOINTMENT OF CLERK AND CLERK ASSISTANT

Mr. SPEAKER: I have the honour to inform the House that Arthur Beauchesne, Esquire, K.C., F.R.S.C., has been appointed Clerk of the House of Commons, in the place of William Barton Northrup, Esquire, M.A., K.C., retired;

And that Thomas Munro Fraser, Esquire, LL.B., has been appointed Clerk Assistant.

FOURTH SESSION—FOURTEENTH PARLIAMENT—OPENING

Mr. Speaker read a communication from Mr. A. F. Sladen, Governor General's Secretary, announcing that His Excellency the Governor General would proceed to the Senate chamber at three p.m. on this day, for the purpose of formally opening the session of the Dominion Parliament.

A message was delivered by Colonel Ernest J. Chambers, Gentleman Usher of the Black Rod, as follows:

Mr. Speaker, 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 chamber.

And the House being returned to the Commons chamber:

VACANCIES

Mr. SPEAKER: I have the honour to inform the House that during the recess I received communications from several members notifying me that the following vacancies had occurred in the representation, viz.:

Of Joseph Emile Stanislas Emmanuel d'Anjou, Esquire, member for the electoral district of Rimouski, consequent upon the acceptance of an office of emolument under the crown.

Of John Morrissy, Esquire, member for the electoral district of Northumberland (N.B.), by decease.

Of John Armstrong MacKelvie, Esquire, member for the electoral district of Yale, by decease.

Of Charles A. Gauvreau, Esquire, member for the electoral district of Témiscouata, by decease.

I accordingly issued my warrants to the Chief Electoral Officer to make out new writs of election for the said electoral districts respectively.

NEW MEMBERS

Mr. SPEAKER: I have the honour to inform the House that during the recess the Clerk of the House has received from the Chief Electoral Officer certificates of the election and return of the following members, viz:

Of William James Hushion, Esquire, for the electoral district of St. Antoine.

Of Sir Eugène Fiset, Kt., for the electoral district of Rimouski.

Of William Bunting Snowball, Esquire, for the electoral district of Northumberland, N.B.

Of Grote Stirling, Esquire, for the electoral district of Yale.

Of Charles Edward Hanna, Esquire, for the electoral district of West Hastings.

Of Jean Francois Pouliot, Esquire, for the electoral district of Témiscouata.

NEW MEMBERS INTRODUCED

William James Hushion, Esquire, member for the electoral district of St. Antoine, introduced by Right Hon. W. L. Mackenzie King and Hon. P. J. A. Cardin.

Sir Eugène Fiset, Kt., member for the electoral district of Rimouski, introduced by Right Hon. W. L. Mackenzie King and Hon. Ernest Lapointe.

REVISED EDITION

William Bunting Snowball, Esquire, member for the electoral district of Northumberland (N.B.), introduced by Hon. A. B. Copp and Pius Michaud, Esquire.

Charles Edward Hanna, Esquire, member for the electoral district of West Hastings, introduced by Right Hon. W. L. Mackenzie King and Hon. James Murdock.

Jean Francois Pouliot, Esquire, member for the electoral district of Témiscouata, introduced by Right Hon. W. L. Mackenzie King and Hon. Ernest Lapointe.

OATHS OF OFFICE

Right Hon. W. L. Mackenzie King (Prime Minister) moved for leave to introduce Bill No. 1, respecting the Administration of Oaths of Office.

THE GOVERNOR GENERAL'S SPEECH

Mr. SPEAKER: I have the honour to inform the House that when the House did attend His Excellency the Governor General this day in the Senate chamber, His Excellency was pleased to make a speech to both houses of parliament. To prevent mistakes, I have obtained a copy, which is as follows:

Honourable Members of the Senate:
Members of the House of Commons:

I have pleasure in welcoming you to the fourth session of the fourteenth parliament.

Since prorogation, the economic situation throughout the world has notably improved. For Canada, the year 1924 was a period of substantial progress. In trade alone, the excess value of exports over imports was more than $260,000,000. The present year opens with prospects of sound and steady development. The financial and trade situation justifies the expectation of an early return to the gold basis.

The problem of the cost of living is the most important that my ministers have in mind at the present time, and every effort is being made to improve conditions with respect thereto. It is apparent that even the most rigid economy in public expenditures will not suffice to solve this pressing problem and the problem of taxation incidental thereto. Their ultimate solution lies largely in increased production and the development of new and wider markets. It is to be borne continually in mind that the existing burden of taxation is due mainly to uncontrollable expenditure in the nature of payments and obligations arising out of the war, and to the encumbered position of the National Railways.

To aid in an increase of production, through the development of our vast natural resources, every effort is being made to attract the right class of immigrants to Canada, and to secure their settlement in the undeveloped areas served by our great transportation systems. In due course steps will be taken to further colonization and settlement in other fertile regions such as those of the Peace river.

The cost of production of raw materials and the necessaries of life has been lessened by the reductions in the tariff and the sales tax effected at the last session. It is becoming increasingly evident, however, that quite as important a factor as the customs tariff in their effect upon production and living costs are transportation costs and rates, by land and sea.

[Mr. Speaker.]

It is the opinion of my advisers that the attention of parliament at the present session should be directed more particularly to the desirability of effecting a freer movement of commodities through an equalization of railway freight rates as between provinces and localities, and through a lowering of carrying charges upon shipments by water of the products of the farm, the mine, the forest, the fisheries, and of our manufacturing industries.

Some measure of control of transportation by land and sea is obviously essential to the promotion of interimperial trade, the expansion of export trade generally, and the development of Canadian trade via Canadian ports.

The procedure it may be advisable to follow with respect to railway freight rates will in some measure necessarily depend upon the decision of the Supreme Court in the appeal respecting the Crowsnest pass agreement. With regard to ocean freight rates, action is being taken to overcome the restraints on export trade due to the exactions of the powerful steamship combine known as the North Atlantic Steamship Conference. Your approval will be asked of a measure aimed at affording the government of Canada a control of ocean rates.

It is the intention of the government so to equip our important ports on the St. Lawrence route, and on both the Atlantic and Pacific coasts, as to enable them to meet all requirements of modern navigation.

To secure greater co-operation in the administration of the laws of the two countries respecting smuggling and the prosecution and extradition of persons violating the anti-narcotic laws of either country, treaties between the Dominion of Canada and the United States have been negotiated and signed. They will be submitted for your approval prior to their ratification.

You will be asked to sanction the calling of a conference between the federal and provincial governments to consider the advisability of amending the British North America Act with respect to the constitution and powers of the Senate, and in other important particulars.

Your attention will also be invited, during the course of the session, to certain trade agreements, to legislation respecting the handling and marketing of Canadian grain and to other important matters.

Members of the House of Commons:

The public accounts for the last fiscal year, and the estimates for the coming year, will be promptly submitted. In the preparation of the estimates, regard has been had to the need for continued economy with respect to the public services and public works.

Honourable Members of the Senate:
Members of the House of Commons:

May Divine Providence guide and bless your deliberations.

Right Hon. W. L. MACKENZIE KING (Prime Minister) moved:

That the Speech of His Excellency, the Governor General, to both houses of parliament be taken into consideration on Monday next, and that this order have precedence over all other business, except the introduction of bills, until disposed of.

Motion agreed to.

SELECT STANDING COMMITTEES

Right Hon. W. L. MACKENZIE KING (Prime Minister) moved:

That a special committee be appointed to prepare and report, with all convenient speed, lists of members to compose the select standing committees of this House under rule 10, said committee to be composed of Messieurs. Béland, Copp. Low, Kyte, Papineau, Tolmie, Boys, Johnston (Last Mountain) and

Halbert, and that that portion of rule 10 limiting the members of the said committee be suspended in relation thereto.

Motion agreed to.

INTERNAL ECONOMY COMMISSION

Right Hon. W. L. MACKENZIE KING (Prime Minister) presented the following message from His Excellency the Governor General:

The Governor General transmits to the House of Commons a certified copy of an approved minute of council appointing the Honourable H. S. Béland, Minister of Soldiers' Civil Re-establishment; the Honourable Thomas A. Low, Minister of Trade and Commerce; the Honourable J. H. King, Minister of Public Works, and the Honourable John E. Sinclair, Minister without portfolio, to act with the Speaker of the House of Commons, as commissioners for the purposes and under the provisions of the eleventh chapter of the Revised Statutes of Canada, 1906, intituled "An Act respecting the House of Commons."

REPORTS

Report of the Chief Electoral Officer in conformity with the Dominion Elections Act. —Mr. Speaker.

Joint Report of the Librarians of Parliament.—Mr. Speaker.

DEPUTY SERGEANT-AT-ARMS

Mr. SPEAKER: I have the honour to inform the House that the Sergeant-at-Arms, with my approval, has appointed Edouard Taschereau, Esquire, to be his deputy during the present session of parliament.

DECEASED MEMBERS

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, in the interval which has elapsed since the last session of parliament two hon. members, very highly respected by all in this House, Mr. John Morrissy and Mr. Charles Arthur Gauvreau, have been taken from our midst. It is fitting before we enter upon the work of a new session that we should pause to pay a passing tribute to their memory and to express the sympathy which hon. members of this House feel with those who have been thus greatly bereaved.

Both hon. members were for a long time in public life, and both were very highly regarded. The late Mr. Morrissy entered this parliament only three years ago, at the general election of 1921, as the member for Northumberland, N.B. He had, however, been interested in the public affairs of his own province for a long time, having served in no less than three successive administrations of the province of New Brunswick, and having held the important post of Minister of Public Works for something like nine years. Mr. Morrissy had a keen liking and a genius for public life. It is said of him that he entered more political contests than any other public man in his province. Out of fourteen political contests he won as many as he lost. That under these circumstances he should at the time of his death have had, as he did have, the universal regard of those among whom he lived, and whose interests he strove so earnestly to serve, is perhaps the highest testimony that could be paid to his sterling integrity and to his fine independence, qualities in him which all of us well knew. It is a further testimony to his name and public example that the constituency which he represented in the provincial legislature should to-day be represented by his only son.

By all of us on this side of the House Mr. Morrissy will always be remembered for his kindly and generous disposition, for his loyal and helpful support, and for his fine public spirit and public service.

Mr. Gauvreau was one of the oldest members of the House, having entered parliament as the representative for Temiscouata in the by-election in 1897. He was returned to parliament in the general elections of 1900, 1904, 1908, 1911, 1917 and 1921. For the quarter of a century that he thus represented that constituency he faithfully served the interests of his constituents and the people at large.

Mr. Gauvreau was one of the members of parliament who followed the proceedings of the House with a very keen interest. His talents were employed, however, even more in writing than in speaking. He did not take much part in debate; it was characteristic of him that he was prepared to leave the expression of views to others, and if he felt that his views were clearly enunciated that the right word had been said by others, he was content to leave matters there.

By profession Mr. Gauvreau was a journalist and a notary. He took a keen interest in the history of his native province and in literary pursuits generally, and he has left to our country contributions in prose and in verse which entitle his name to an honourable place among the authors of Canada. It is a tribute to his spirit of patriotic service, and to his example that both his sons served with great distinction in the Canadian naval service during the period of the war.

Mr. Gauvreau will be very much missed in this House, particularly by members who likewise have been privileged to enjoy a long

association with parliament. He was always active in matters pertaining to affairs of the House and of his party. He was very regular in his attendance, and took a keen interest in the work of committees. He was a faithful attendant at the party caucus, over which he not infrequently presided. There were about Mr. Gauvreau, the qualities which characterize the man of thought, conviction and determination. There was strength in his silent reserve, and a resoluteness of character to which his quiet demeanour lent emphasis. I do not know that anything more worthy could be said of him than that he was as much beloved by the members of this House who knew him, as he was honoured by the unbroken confidence of his constituents over a period of nearly twenty-five years.

Though past the age of sixty, neither of the honourable members whose deaths we deplore to-day had reached the allotted span of three score years and ten. Mr. Morrissy died in his sixty-seventh year; Mr. Gauvreau at the time of his death was in his sixty-fourth year. It is not by number of years but by reason of service that the memories of men are cherished. Whilst we honour the years of our late fellow-members, their names will command for all who knew them a deeper reverence.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): It seems inescapable that at each successive opening of parliament necessity arises for a reference to deaths that have occurred among us. On the present occasion those we lament were members of the Liberal persuasion, and the Prime Minister has outlined the chief incidents of their lives and their great services to the country with a familiarity and a knowledge that I could not rival. Suffice it to say that neither gentleman during his identification with this House deserved aught but kindly reference; they were men whose records were honourable and sincere.

Mr. Morrissy's contributions to public service were mainly, of course, in the provincial sphere. His career in the province of New Brunswick is known to all—his long succession of political encounters, his gallant victories, his honourable defeats, his fine domestic life, and I join warmly and sympathetically with the Prime Minister in offering to his widow and his family this testimony of the reverence of the House.

Mr. Gauvreau was the better known among us. He was one of our members of the longest standing. Very seldom is it the lot of anyone to sustain public confidence in a single county for a quarter of a century. He who achieves that result must have sterling qualities; he must not only be able to command respect but, by talents that few possess, be able to preserve it.

It has been said that Mr. Gauvreau, unlike too many of us in Canadian public life, devoted himself with some energy and some success to literature. I have had the pleasure of reading one of his historical works, and can bear testimony not only to its literary quality but to its value in substance. Gladly I accord him a place among Canadian writers.

The services of his family in the war is something also that we record with pride. His two sons offered themselves in the navy in the early hours of their country's need. Both acquitted themselves creditably and gained a record that is honourable to their family and to their race.

To have been elected seven times a member of this House is itself an achievement greater than anything which might find mention in any eulogy after death. I assure all those who loved Mr. Gauvreau that he gained the esteem of political foes as well as political friends, and that we bear him now in honourable memory by reason of his personal qualities and his public services.

Mr. ROBERT FORKE (Brandon): I would only add a few words to what has been so well expressed by the right honourable Prime Minister, and the right honourable leader of the opposition. Amid life's activities we are being constantly reminded that we have here no abiding state, and that two respected and esteemed members who have sat with us in this House shall know their places no more.

I did not have the opportunity, being a comparatively new member of the House, of forming a very intimate acquaintance with the two honourable gentlemen who have departed from us; but I knew both sufficiently well to respect and admire their character, their ability and their devotion to their duties in this House. I am sure they did their duty to their constituents and served Canada well; and I think the House, as a unit, will pay every respect to their memory, believing they did their best in the service of Canada and on all occasions acted honestly and uprightly.

We can now only tender our sympathy to the families of the deceased members and express the hope that they may find some consolation in the long and honourable records of those who have gone.

On motion of Mr. Mackenzie King the House adjourned at 4.27 p.m. until Monday, February 9.

Monday, February 9, 1925

The House met at three o'clock, the Deputy Speaker, Mr. George N. Gordon, in the chair.

REPORTS AND PAPERS

Report of the Royal Grain Inquiry Commission.—Hon. Mr. Low.

Report on the North Atlantic Steamship Combine.—Hon. Mr. Low.

Annual Report of the Department of Trade and Commerce for the fiscal year ended March 31, 1924.—Hon. Mr. Low.

Report of the Commissioner of Patents for the year ended March 31, 1924.—Hon. Mr. Low.

Regulations of the Board of Grain Commissioners for the period ended August 31, 1924.—Hon. Mr. Low.

Annual Report of the Department of Public Works for the year ended March 31, 1924.—Hon. Mr. King (Kootenay).

Annual Report of the National Gallery of Canada for the year 1923-24.—Hon. Mr. King (Kootenay).

Annual Report of the Postmaster General for the year ended March 31, 1924.—Hon. Mr. Murphy.

Rules of practice made by the Court of King's Bench in the province of Quebec concerning criminal cases.—Hon. Mr. Lapointe.

Annual Report of the Department of Immigration and Colonization for the year ended March 31, 1924.—Hon. Mr. Robb.

Public Accounts of Canada for the year ended March 31, 1924.—Hon. Mr. Robb (for Right Hon. Mr. Fielding).

Statements: Governor General's Warrants and Treasury Board over-rulings; Unforeseen expenses April 1, 1924 to January, 31, 1925; Superannuation and retiring allowances for year ended December 31, 1924; Civil Service Insurance for year ended March 31, 1924; Returned soldiers' insurance for year ended March 31, 1924; National Battlefields' Commission receipts and expenditures for year ended March 31, 1924.—Hon. Mr. Robb (for Right Hon. Mr. Fielding).

Lists: Shareholders in Canadian chartered banks; Unclaimed balances, etc., in Canadian chartered banks; shareholders in Quebec savings banks; unclaimed balances, etc., in Quebec savings banks—Hon. Mr. Robb (for Right Hon. Mr. Fielding).

Superintendent of Insurance, report on business of 1923, vol. 1, fire and miscellaneous; vol. 2, life; also report on loan and trust companies for year ended December 31, 1924—Hon. Mr. Robb (for Right Hon. Mr. Fielding).

Statement of receipts and expenditures of the Royal Society of Canada for year ended April 30, 1924. Hon. Mr. Robb (for Right Hon. Mr. Fielding).

Annual Report of the Secretary of State for External Affairs for the year ended March 31, 1924.—Right Hon. Mr. Mackenzie King.

Copies of Orders in Council passed in connection with giving effect to various treaties of peace.—Right Hon. Mr. Mackenzie King.

Annual Report of the Department of Labour for the fiscal year ended March 31, 1924, including reports of proceedings under the following statutes: Industrial Disputes Investigation Act; Employment Office Co-ordination Act; Technical Education Act, and Government Annuities Act.—Hon. Mr. Murdock.

Annual Report of the Department of Public Printing and Stationery for the fiscal year ended March 31, 1924, including the publication of the statutes.—Hon. Mr. Murdock.

Fifty-seventh Annual Report of the Department of Marine and Fisheries for the fiscal year ended March 31, 1924.—Hon. Mr. Cardin.

Copies of Orders in Council passed under the provisions of the Dominion Lands Act, the Forest Preserves Act, the Migratory Birds Convention, the Dominion Lands Survey Act.—Hon. Mr. Stewart (Argenteuil).

Regulations for the survey, disposal and management of Dominion lands in the railway belt of British Columbia.—Hon. Mr. Stewart (Argenteuil).

Statement of land sold by the Canadian Pacific Railway Company during the year ended September 30, 1924.—Hon. Mr. Stewart (Argenteuil).

List of leases, licenses, permits and other documents cancelled under section 3, chapter 21—Hon. Mr. Stewart (Argenteuil).

Report under section 7 of the Reclamation Act—Hon. Mr. Stewart (Argenteuil).

List of permits issued to take intoxicants into the Northwest Territories during the year ended March 31, 1924—Hon. Mr. Stewart (Argenteuil).

Annual Report of the Department of the Interior for the year ended March 31, 1924.—Hon. Mr. Stewart (Argenteuil).

Annual Report of the Department of Mines for the year ended March 31, 1924.—Hon. Mr. Stewart (Argenteuil).

Annual Report of the Department of Indian Affairs for the year ended March 31, 1924.—Hon. Mr. Stewart (Argenteuil).

List of land sales cancelled by the Department of Indian Affairs in accordance with section 61 of the Indian Act, for the period

from April 1, 1924, to January 31, 1925.—Hon. Mr. Stewart (Argenteuil).

List of enfranchisements under section 3 of the Indian Act for the period from April 1, 1924, to January 31, 1925.—Hon. Mr. Stewart (Argenteuil).

Annual Report of the Minister of Agriculture for the year ended March 31, 1924.—Hon. Mr. Motherwell.

Report of the Director of Experimental Farms for the year ended March 31, 1924.—Hon. Mr. Motherwell.

Orders and regulations passed under the authority of the Destruction of Insects and Pests Act for the year ended March 31, 1924. —Hon. Mr. Motherwell.

Orders and regulations passed under the authority of the Cold Storage Act for the year ended March 31, 1924.—Hon. Mr. Motherwell.

Annual Report of the Weights and Measures, Electricity and Gas Inspection Services.—Hon. Mr. Low.

Copy of Order in Council of date the 28th November, 1924, to give effect to the provisions of section 46 of the Copyright Act, 1921. —Hon. Mr. Low.

DOMINION LANDS REGULATIONS

Hon. CHARLES STEWART (Argenteuil, Minister of the Interior and Superintendent General of Indian Affairs): I hereby give notice to the House of Commons that no irrigation regulations have been enacted under the provisions of chapter 61, section 57 of the revised statutes; that no regulations have been enacted covering Dominion lands in the railway belt under the provision of the order in council of September 17, 1889; and that no regulations have been enacted under the provisions of chapter 5, section 5 of the Reclamation Act.

I have to report to this House also that during the fiscal year ended March 31, 1924, no new regulations respecting Indians were enacted, and that there were no remissions on sales of Indian lands.

BEREAVEMENT OF MR. SPEAKER

On the Orders of the Day:

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, we have just been reminded that the unavoidable absence of His Honour the Speaker from this chamber to-day is owing to the death yesterday of his elder daughter. I know that I express the wish of the House when I ask you kindly to convey to His Honour and to Madame Lemieux the very deep sympathy which we all feel with them in their bereavement.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): Mr. Speaker, it is only within recent hours that I have heard the sad news referred to by the Prime Minister, and I had intended making some reference to it when I spoke later. His Honour the Speaker has suffered in late years more than his share of domestic affliction. His only son lies buried in France—the greatest single sacrifice a man could make for his country. Now this is followed by the loss of a daughter. I assure you on behalf of the party in this section of the House that we deeply sympathize with His Honour and Madame Lemieux.

Mr. ROBERT FORKE (Brandon): Mr. Speaker, on behalf of the members who sit in this part of the House I beg to express our sincere sympathy with His Honour the Speaker in the great loss which he has suffered by the death of his daughter.

Mr. DEPUTY SPEAKER: I shall have the honour of having transmitted to the honourable the Speaker the words of sympathy of the Prime Minister, the right hon. leader of the opposition and the hon. member for Brandon.

THE GOVERNOR GENERAL'S SPEECH

ADDRESS IN REPLY, MOVED BY SIR EUGENE FISET AND SECONDED BY MR. CHARLES HANNA

The House proceeded to the consideration of the Speech delivered by His Excellency the Governor General at the opening of the session.

Sir EUGENE FISET (Rimouski) (Translation) moved:

That an Address be presented to His Excellency the Governor General, offering the humble thanks of this House to His Excellency for the gracious speech which he has been pleased to make to both houses of parliament.

He said: Mr. Speaker, I regret that my first words uttered within these precincts should be to express the very deep sympathy which I feel for the loss sustained by His Honour the Speaker. Allow me, Sir, to associate my self to the right hon. Prime Minister (Mr. Mackenzie King), to the right hon. leader of the opposition (Mr. Meighen) as well as to the hon. leader of the Progressive party (Mr. Forke), to offer to the so afflicted family my very sincere and deep regret.

Mr. Speaker, I trust that I may be allowed, without infringing on parliamentary customs, to express to the right hon. Prime Minister our sincere and heartfelt thanks, for having so highly honoured the electors of the county of Rimouski by choosing their humble representative to move the Address in reply to the Speech from the Throne.

I hope you will further excuse the very legitimate pride which I feel in representing in this House this county of Rimouski, so liberal in traditions, and whose political history is written in gold letters in the annals of our confederation.

I feel, Sir, a very deep emotion when I recollect that to-day I fill the place of my father as representative of this beautiful county. During twenty-five years of his political career he devoted the whole of his heart and energy to the fulfilment of his mandate, and in following in his footsteps I cherish but one thought, it is to live up to this reputation of courtesy, sincerity and frankness which characterized him. There are very few in this House, Sir, who, as colleagues, sat with him in the old parliament. The Hon. Mr. Lemieux was one of them and his old friend had predicted at the very outset his brilliant political career which has brought so much credit to our race. This political career, Sir, he has crowned by occupying the Speaker's chair and fulfilling the duties attached to it with so much courtesy, ability, tact and fairness. May I hope that he will share with the son a little of this good friendship which he had for the father, and, especially, that he will be very indulgent towards me in the first efforts of my political career.

Mr. Speaker, may I further be allowed to recall to this House your ex-colleague Mr. Emmanuel d'Anjou. He has thought proper to retire from the federal arena to accept a position in the public service. He left behind him, in the county of Rimouski, the reputation of a gifted young popular speaker who expressed himself with ease and warmth. He did honour to his mandate, and I am sure that all his old colleagues associate themselves with me in wishing him joy and success in his new career.

The task, Mr. Speaker, which has been entrusted to me weighs heavily upon me, and with some anxiety, I realize that if it was rather easy to sit on the floor of the House and help my ministers in answering questions in connection with the estimates of a department, it is an entirely different proposition for me to rise from my seat and attempt to fathom the important question that His Excellency the Governor General has just submitted to the consideration of this House.

However, remembering that the motto which we adopted in Conventum on taking leave from our Alma Mater was: "Audaces fortuna juvat," I dare to be bold and submit to the House a few remarks which the Speech from the Throne suggests to me.

There is, Sir, in the Speech from the Throne a brief and very precise passage, and of such importance to the economic life of the nation that it overshadows all other questions. We notice in this speech that the government realizing the capital importance of this question intend taking up the railway freight rates and tariff.

We now come, Sir, to the great stumbling-block of the natural development of our trade, the main impediment to the increase in our exports, and especially the greatest factor hindering our farming population from realizing the sale and marketing of their products. This problem affects the whole country, and, if the recriminations of the west seem to express themselves in a louder tone, I can assure you, Sir, that the calmer agitation of the east is no way less forcible.

May I suggest to the government, while considering this question, to apply those same principles of scientific evolution and political economy that were adopted at the last session regarding tariff reductions on raw material. Let them classify as raw material, the products of the soil, our coal and our fisheries. By applying this economical principle to the natural resources of the soil, and by reducing as much as possible this special form of taxation which weighs so heavily on all classes of our population, you will get to the root itself of the greatest obstacle which hinders the development of our national life, you will reduce the cost of living, and by allowing the masses to realize the ready cash so necessary for purchasing power you will help the producer and consumer as well as all classes of society. In my opinion, sir, that is the most important part of the sessional programme and I can vouch for an unanimous approval throughout the whole country if we, belonging to the federal deputation, find a solution to this problem. You will note, Mr. Speaker, that besides our transportation problems, the development of our seaports, those of our great river in particular, must be the special object of consideration by the government. Here is at last Sir, the dawn of that day so long awaited, and we all have the firm hope that the development of our national deep water harbour of our beautiful port of Quebec, will materialize at last. Is it necessary for me, Sir, to draw the attention of this House to the fact that before considering this undertaking the government gathered data and expert information of such a definite kind, thanks to the admirable report, plans and estimates of the Quebec harbour commissioners, that our large shipping concerns, as well as the railway companies, have already given the assurance of their full and entire approval to the carrying out of this project. Is there need, Sir, to add that this all important project is not a local one; it is a national undertaking which affects not only the province of Quebec,

but the whole country, in particular the west. We can but congratulate the government as to this initiative, and we are all convinced that the relatively small outlay required will be a hundred-fold recuperated by the material and economic advantages which will ensue.

A third point which I want to broach, Sir, is immigration. Let us bear in mind the principle that we have an enormous national debt, one incurred through the mobilization and demobilization of the Canadian army, sacred obligations and which cannot be disavowed towards those of our people who sacrificed their life, their blood, their health to rescue humanity in danger. This amonuts to a preferential obligation on the revenues of the country. Such a liability is positive, unalterable, cannot be denied nor repudiated. Whatever be the principles of tariff reform that you may adopt, call them protection, free trade, preferential or tariff for revenue, we cannot hope, as long as our population will remain what it is, to reduce the capital of this debt. We are, therefore, forced to find new means of raising revenue, and these, Sir, are of three orders: the increase of our population, the development of our natural resources and production. These three factors are so closely related to one another at an economic point of view, that you cannot separate them.

To develop our natural resources, we need labour. To increase our production we need labour. But, Sir, in order to avoid injuring our industries, increasing the number of unemployed and burdening our economic life, we must apply to immigration those economic principles that we have embodied in our fiscal policy. Human energy that we intend to import must be considered as raw material. Our immigration must have but one aim: cater to the ever present needs of the development of our natural resources, and superproduction. This immigration must be classified, grouped, selected, mentally as well as physically, and especially its absorption must be provided for. That is, Mr. Speaker, what the government has in view, and if the problem, as I have just outlined it is placed before the people you may rest assured in advance of its approval.

The fourth point that I wish to submit to the consideration of this House, is our relations with the empire. On January 16 last. before the Canadian Club of Quebec, the right hon. Prime Minister in a masterly exposé which raised the enthusiasm of his audience, defined in such a clear, precise and almost scientific way the government's attitude in regard to Canada's relations with the Mother Country ,that I think it is the duty of every citizen to seize every opportunity to place before the public which is so interested, the facts of this much discussed problem. The lecturer, proceeding by elimination, establishes first that the idea of an Imperial parliament, neither in principle nor in fact can no more be acceptable than that of a Council of the Empire, that such an Imperial parliament or Council of the Empire would undermine the very foundation of our constitution and destroy that principle of responsible government which is the "criterium" itself of our parliamentary institution. He showed the relative responsibilities of the Prime Minister to his colleagues; the government to parliament; and parliament to the people. He pointed out the impossibility of confiding to a parliamentary delegate, may he be Prime Minister or not, the power or authority to pledge the country without previously consulting, first the government, if necessary, parliament, and finally the people. He further defined the formula which was adopted at the last conference in regard to the classification of our treaties: treaties directly negotiable by the Canadian government after consultation with the Imperial government and treaties negotiable by the Imperial government after consultation with the Canadian government.

I have pointed out, Sir, in broad outline the scope of this economic conference which, coming from the lips of the Prime Minister, with its full authority, has made a deep impression on the people of our beautiful province and has contributed more than any other factor to attenuate this semi-anxiety, this uneasy feeling which seems inclined to spread amongst us

There is no use concealing the facts, Mr. Speaker, a number of our large newspapers have for a year or so, been spreading through the country a message of pessimism, of discouragement and fear which fortunately has not attained its object and that our sound and energetic population has refused to accept. Unfortunately, Sir, if we no longer hear the "whisper of death" whirling around our ears, there has of late appeared new tactics, hushed rumours, carrying half-truths, vague assertions, insidious alarms, having for aim, as it seems, not only to inspire distrust, but I might even say to sow dissension. Are we to witness in this grand country of ours, this conflict between the wealthy and the labouring classes? Shall we see appear among us, a new prophet, preaching a new doctrine? Shall we, at last, witness a new regime composed of supermen, advocating most stringent measures of economy, and wanting to force the present generation to pay for the burden

which we willingly assumed, to allow future generations to live and exist.

Such is the question, Sir, on everyone's lips. For my part, although realizing the absolute necessity that exists for us not to exceed our revenues, I am one of those who believe that economy carried to excess is equivalent to folly. With many others I believe that one must not think or hope to pay or materially reduce in the present generation, our national debt. I am one of those who believe that by developing our natural resources, by increasing our population, by affording the chance to the present generation to exist, we shall in a nearby future, attain a more tangible result than by stifling all initiative, or raising the cry of distress and disaster.

I am sorry, Mr. Speaker, for having allowed myself to drift to such thoughts, but I reflect here the views of my electors and I think I am performing my duty as a good citizen by expressing my absolute confidence in the future, and firmly believing in the happy destinies of this beautiful country of ours.

I had no intention, Sir, to touch upon all the important questions which are submitted for our consideration in the Speech from the Throne; but before closing my remarks, allow me to bring before the House the material needs of this beautiful county which I have the honour to represent. Back in my seclusion after having given two years of study to local problems which especially affect our lovely region of the lower St. Lawrence river, I was able to ascertain that the economic life of our beautiful counties of Rimouski and Matane had as its basis three great factors, our forest industries, agriculture and our transportation routes.

Our forest industries have, of late years, taken such an impulse, that we can say with pride that Matane and Rimouski surpass, by the example they set and the development they attained, all other regions of our beautiful province of Quebec. Would you believe it Sir, in addition to the five large companies that operate in those counties, there exists another one which itself alone, works on the south shore 1,100 square miles of limits, exports to England and the United States about 30,000,000 feet of manufactured lumber; would you ever think that, through concessions granted by the provincial government, vast timber limits on the north shore, concessions situated opposite to Rimouski and Matane, at a distance of 30 miles on the opposite shore of our beautiful river, where hardly five years ago there was but a wilderness, now villages and immense lumber camps have sprung up, such as Shelter Bay, Godbout, Franklin, Bersimis, Sault-au-Cochon, Portneuf and many others, you will understand the great importance of attracting to us the immense trade which is bound to follow. Rimouski and Matane are the natural outlets of this trade, and already we possess almost all the necessary facilities to provide for it.

As to farming, Sir, nature has almost forced us to specialize in one industry alone, owing not only to the nature of our soil, but especially, because we have in abundance and in its natural state fertilizers of sea-weeds. We produce yearly, in the county of Rimouski, more than 2,000,000 bushels of potatoes, and thanks to the initiative of the provincial government which has undertaken to build in each parish situated along the Canadian National and the gulf and terminus railways, heated storage, supplied with the necessary sorting equipment, we shall therefore at last, be able to realize what had become to us of primary necessity to enter into competition with the other provinces and take advantage of the benefits of foreign markets.

However, an obstacle exists in the realization of this dream: it is our transportation rates and this transportation problem, owing to our geographical situation is for us a vital question. We are located at the tail end of the western markets and at the head of the eastern markets. The freight rates which we are forced to pay are so prohibitive that it is almost impossible for us to deal with our local markets and still less with the foreign markets. We do not ask for special privileges, but we are glad to notice that the government has thought this question to be of paramount importance and we have the firm hope that the needs of our region will be considered on an equal footing with those of other parts of the country.

I leave, Mr. Speaker, to hon. gentlemen who are better qualified than I am the task of developing the other points of much importance, contained in the Speech from the Throne. However, allow me to state that this sessional programme that the government submits to parliament, is the logical continuation and reasoned development of the Liberal manifesto of 1921. It is a programme of harmony, union, peace and good understanding. It is legislation beneficial to the masses without consideration to sectionalism, divisions, territories and classes. It is a programme for the people, the principles and development of which have been submitted to the electors of my county and relying on the approval of my electors having absolute

confidence in my leaders, it is for me a pleasure and an honour to move the motion of which you have been given notice.

Mr. CHARLES E. HANNA (West Hastings): Mr. Speaker, I beg leave to second the resolution that an Address be presented to His Excellency, the Governor General, offering the humble thanks of this House to His Excellency for the gracious speech which he has been pleased to make to both Houses of Parliament.

And, Mr. Speaker, in doing so, may I crave the indulgence of the House in the few remarks I shall make? I am a novice to parliamentary life, and as all hon. members of this House have at one time or another been new members of the House, may I throw myself on their mercy, asking their sympathetic memory in my own behalf.

I recognize that the honour shown me in granting me this privilege to-day is in no way a personal one, but a very direct tribute to my constituency and the people I represent, and a fine courtesy from the House to a new member. The riding of West Hastings, which has entrusted me with its responsibilities in this honoured House, is neither a small nor an unimportant one. It is one of the few so-called rural ridings of this province which did not recede in population in the years 1911 to 1921, but actually recorded a considerable increase in population. It is a riding which, with its sister riding of East Hastings, has a long and honourable history in the annals of Upper Canada. Drawing a great part of its original settlement from the devoted group of exiled patriots, the United Empire Loyalists, it received in later colonization large groups of excellent farming stock from the Old Land, and to-day presents a prosperous, steady development, well balanced as between agricultural and industrial, and reflecting a solid growth in education, in expansion and in community spirit, founded on a homogeneous population. It has given to Canada one of her most revered and honoured Prime Ministers in Sir Mackenzie Bowell, and has sent forth to literary fame and a seat in the Mother of Parliaments, Sir Gilbert Parker.

At the present time, when the scarcity of free land and the pioneer effort required for the settlement of available land in northern Ontario and Quebec and the more remote districts of the prairies dampens the ardour of the immigrant, I may be forgiven a reference to the development of Hastings county. Much of our land was naturally neither rich nor productive; in fact, many stretches of our northern areas are still wild, rugged and unbroken. Yet the practice of thrift, steady if small returns, and intensified farming with special concentration on dairying, have made Hastings a county of pleasant, productive farms and prosperous homes. Perhaps no great over-night fortunes have been made, perhaps no booms have been recorded; but the sturdy, steady growth of this farming population, who are providing themselves with all moderate comforts, educating their children and sending them forth in Canada's development, affords, I think, an example not unworthy of note in Canada to-day.

According to the 1921 census, the 5,597 farms in the county of Hastings comprised a total acreage of 796,787. The value of these farm lands totalled $12,786,065; buildings $9,718,439; implements $4,065,489; live stock $5,969,413. His Excellency in the gracious speech just delivered has made reference to the probability of this House evolving some system of relief from the heavy ocean freight charges, against which Canadian export trade must struggle. Might I mention particularly the handicap imposed on stock farming, by this item? When I mention that on these farms in Hastings there were over 80,000 head of cattle, over 34,000 head of sheep and some 40,000 head of swine, while the stock sold yielded almost two million dollars, it will be realized that the relief suggested will not be confined to western Canada alone. Commenting on this item may I also draw attention to the desirability of greater refrigeration accommodation on all boats engaged in our ocean carrying trade. Animal products in my county in this year brought over $3,000,000, and I am confident that there, as in all rural Ontario, this amount could be greatly increased if we were only assured of wider markets.

The efforts of the Department of Agriculture to obtain a better standardization of agricultural produce will be warmly supported in Hastings. It is in dairy produce particularly that we are interested. There are over seventy dairy factories in the county, with an output running over two million dollars per annum. Butter produced in 1923 totalled 1,377,129 pounds, and cheese 7,712,034 pounds. These figures will illustrate to what great extent the prosperity of the district is dependent on the maintenance of a good export trade. I am confident that the encouraging messages of trade consolidation and expansion mentioned in the Address will find hearty support throughout mixed farming circles in Canada.

Canada's prosperity to-day rests in the first degree on the energetic development of her natural resources, whether the direct cultivation of the land to agricultural production, the utilization of her great mineral resources, or the encouragement and export expansion of her fisheries. Hastings county is very similar to the rest of the Dominion in that within the county we have great mineral wealth, the fisheries of the bay of Quinte, and splendid industrial development at Belleville and Trenton. In 1922, the commercial fish caught and landed in the bay of Quinte fisheries totalled about 1,500,000 pounds, valued to the fishermen at $134,835. While this may seem small compared with British Columbia and the Maritimes, it is nevertheless an industry of tremendous importance to the district and makes for a bond of understanding and sympathy between us in this matter that may not be so strong in some of the inland counties. I think that is well, for I feel that the intangible danger of sectionalism springing up in Canada is one more to be combated than many a more material bogey, and that it is by understanding among widely separated groups with common interests that we shall build up a united Dominion.

Growing evidence that our mineral resources are possibly the richest in the world makes it imperative that provincial and federal governments should unite in conserving those resources, promoting continuous production and maintaining within Canada capital, labour, transportation and power.

The county of Hastings is heavily mineralized. Among the non-metallics found are talc and fluorspar which occur in the vicinity of Madoc; limestone suitable for cement making, near Pointe Anne, seven miles from Belleville; marble and feldspar near Bancroft; actinolite near the municipality bearing that name; and garnet in the northern part of the county. There are two cement plants in Belleville, and there are four brick-making plants in the county. Metallic ores found in Hastings county include iron both as hematite and as magnetite; mispickel ore which was mined some years ago for the recovery of gold and arsenic; iron pyrites near the village of Sulphide, mined by the Nichols Chemical Company, for the production of sulphuric acid at that point; copper ore in Madoc and Marmora townships; lead in the townships of Lake and Tudor; and molybdenum in Dunganon and Monteagle townships. There are many other mineral deposits in the county of Hastings which so far have not been exploited commercially.

As a business man in the city of Belleville, I am in a position daily to see the inseparable interrelation of industry and agriculture and the constant interplay of one on the other. There are some fifty manufacturing concerns of varying size in the city of Belleville, and about twenty-five in Trenton. The capital invested runs well over seven million dollars, with a pay roll of over a million, and some three and a half millions to four millions annual gross production. Agricultural conditions have improved. The budget resolutions of last year did not increase imports to our district —they merely reduced the price of the articles affected. This gave a very evident stimulation in the general condition of agriculture, mining and fishing in our district, which was reflected in the neighbouring towns and villages. Basing my judgment solely on evidence within my own knowledge, I find that both agriculture and industry were aided.

The Address gave intimation of reduced expenditure. There is nothing more urgent in the interests of agricultural and industrial development, trade expansion, a renewed flow of population, and a consequent lowered average cost of transportation, than some shifting of the very heavy burden of taxation, federal, provincial and municipal, that young Canada bears upon his shoulders. There can be no division of opinion herein as between party and party, or between dominion and province, province and municipality. And, in the earnest hope that we may all unite towards attaining this desired end, I beg leave, Mr. Speaker, to second the motion moved by the hon. member for Rimouski.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): Mr. Speaker, it is my privilege again to be the first in extending to the mover (Sir Eugene Fiset) and the seconder (Mr. Hanna) of the Address the congratulations of the House on having discharged acceptably a difficult task. We never had any fears as to the hon. member for Rimouski (Sir Eugene Fiset), and it is very apparent that the House of Commons is to have no terrors for him. This is not the hon. member's first experience in public circles. As we all know, he has been connected with the service of Canada for some decades, and I take the opportunity to bear testimony to the efficiency with which he discharged his duties. I hope his career in the higher sphere, as we call it, will be equally creditable to him. His health appears abundantly restored.

Speaking in somewhat different strain, maybe he will permit me to extend to him the sympathies of all who have laboured with him, in the fact, as it appears from very recent utterances of his, that for many years he

suffered torments and anguish taking the part which it was his duty to take in the enforcement of a law very abhorrent to his sense of justice and of right.

We are joining in an Address of thanks to His Excellency for the gracious Speech he has been pleased to deliver. Without in the least degree reflecting on His Excellency, for we all know that no one except ourselves here had less to do with the Speech than had the Governor General, I think this gratitude on the part of the House is a tribute to our sense of humour. There is not much in the Speech but water. What there is of substance will prove very indigestible if I judge it from past experience.

I comment first on the absence of a reference which was to have been expected. The real problems of Canada are domestic. Fortunately we have no very serious or troublesome outside problems now. But one event has taken place in very recent times in which the government has participated, an event of considerable consequence, to which reference might have been expected—I refer to the meeting of the Assembly of the League of Nations, and especially to what is known as the Geneva Protocol. This was a protocol in which the great majority of the league concurred, including, as the report showed, the British government and the representative of the government of Canada. I do not feel that I should discuss the protocol at all, much less go into it in detail. But, inasmuch as Canada's representative there, if I may refer to him by name, Hon. Senator Dandurand, concurred in the terms of the protocol, and we are to presume that Canada adheres thereto until at least we are differently informed from the government, ratification is, of course, in order if we as a parliament are to concur. If the government does not feel like asking parliament for ratification a statement of its attitude would undoubtedly be in order. It is of immense importance to us whether we are to concur or not. This protocol embodies a series of sanctions applicable after the event of a disarmament conference and applicable then to any agreement which may be arrived at at such conference and, as well, to the general relations of the concurring powers thereafter. To me it is difficult to understand why at least the example of the British government in this respect should not have been followed. It was the late administration there, the Labour government, which gave its adhesion to the protocol. The succeeding government, that of Mr. Baldwin, holding apparently somewhat different views, declines to ask for ratification for the present, but gave a resumé of its position and stated that negotiations with regard thereto are being carried on. In the Speech from the Throne we are left entirely in the dark as to what the mind of the government is. I make only this comment, and I do so at present in no spirit of criticism: I do not think we have yet arrived at the time by many years when the League of Nations, of which I am a sincere supporter, can become anything in the nature of superstate or other than a new and better method for conducting international affairs; and I think it would be a very grave step on the part of this country to so contribute its own view as to virtually advise Great Britain to underwrite the security of the world.

There are one or two other features of the Speech from the Throne to which I now make reference. It is much shorter than last year. It contains the customary eulogy to the government itself, and the customary proclamation that everything is going well in the country. We are making, it says, substantial progress. It was declared substantial two and, as well three years ago, and it is now more notable than ever. To this I will return later.

Following those words, however, the Speech goes on to mention that the cost of living is now the chief subject which possesses the minds of the administration, and states that, exercising all the economy in their power, they are not able to take care of it. Something it says beyond economy is essential. Then the government states the reasons for its impotence. What the object of the paragraph could have been I am at a loss to know: It is a compound of retrospection and despair without what you would expect—an element of remorse. There is nothing in the way of a promise of legislation; it has no useful place in the Speech at all.

From this, reference is made to the need of immigrants. We are assured that the government has been exerting every effort to attract the right class of immigrants to Canada, and in the same paragraph we are told that though every effort has been exhausted they are going to exert some more. I am not sure whether this is the thirteenth or fourteenth statement of immigration policy which has come from the administration. The only comment I make at the moment is: Where are the immigrants? Last year there was some accretion, an improvement over 1922; I think the numbers were about 137,000. For the year 1923, this is reduced to 124,000; but the trend is the more apparent from taking more recent months of each year. For

the last nine months of 1923 the immigration was one hundred and twenty-four thousand odd and for the corresponding nine months of last year it was one hundred thousand odd. The multiplication of policies does not result in the multiplication of immigrants.

Then a reference is made to the tariff reductions of last year which are said to have resulted in a lessening of the cost of production of raw materials and of the necessaries of life, and the intimation is that because of that legislation we are enjoying a lower cost of living in Canada. As a matter of fact, as all are aware, the cost of living has increased. There may have been reductions in the cost of production of certain articles, but the public gets the benefit when the reduction reaches the public and, as official statistics of the Minister of Trade and Commerce disclose, the public is paying higher than ever.

Coming to the next paragraph in the Speech we are advised that something must now be done in the way of control of transportation by land and sea. This it is stated is "obviously essential to the promotion of interimperial trade, the expansion of export trade generally, and the development of Canadian trade via Canadian ports." The procedure that is to be followed with respect to railway freight rates, we are told, will depend upon the decision of the Supreme court in the case of the present lawsuits which are under consideration there on the question of the Crowsnest pass agreement. But as to ocean freight rates "action is being taken to overcome the restraints on export trade due to the exactions of the powerful steamship combine known as the North Atlantic Steamship Conference." The address continues:

> Your approval will be asked of a measure aimed at affording the government of Canada a control of ocean rates.

Obviously the government is determined to get away as far as possible from tariff discussions this session. To-day some new subject has to be hoisted to the fore. They have chosen transportation for the purpose. As to land rates, their policy cannot be disclosed till they know the decision of the Supreme court on the Crowsnest pass agreement. Well, may I ask, why not? I thought their policy had been disclosed, not only disclosed but proclaimed all through the length and breadth of half of Canada—not widely emphasized in the eastern portion, but boasted of with unlimited adulation in the west. Why wait for the decision of the Supreme court before deciding to continue the policy so long proclaimed? Did the Prime Minister not go through western Canada turning handsprings on platform after platform, telling the people that he had restored the Crowsnest pass agreement and was entitled to their everlasting gratitude? This was the policy of the government last summer, why is it not their policy to-day? The Supreme court may decide whether or not the government actually did restore the Crowsnest pass agreement—whether or not the legislation, or the absence of legislation, the course they pursued legislatively, resulted legally in the restoration of the agreement. This they can decide and this only; but whether the agreement stays or does not stay, the Parliament of Canada can decide, and the Parliament of Canada alone. No one has ever called in question the power of parliament to legislate yes or no as to the Crowsnest pass agreement. It is not a question of powers that is before the Supreme court at all—not in relation to parliament. Whatever the Supreme court may decide, this parliament alone controls the destiny of the Crowsnest pass agreement. Therefore, if it is still the policy of the administration to do what the Prime Minister proclaimed—and, I have not the slightest doubt, believed—that he had done, why is it not revealed in the Speech from the Throne? Why are we waiting for a decision, on the result of which nothing depends at all in so far as the policy of parliament is concerned? But the fact of the matter is, as everybody knows, and as the government was warned, that by the course they have pursued they have precipitated transportation anarchy and chaos in this country. They have shifted their ground month after month. We have had various sets of rates one month and other sets of rates another month, and the result of it all is to put the government in a position where it either has to reverse its own action or to compel chaos again. But when they come to the water they have no doubts. Both on the Great Lakes and on the ocean their policy is clear. A year ago we were told that there had to be "equalization" of transportation rates on the lakes, and the government brought in legislation amending what it had done the year before. Now they are going to proceed from the Great Lakes to the ocean and control the rates there. Is it worth while inquiring what their success has been on the lakes? Will any member of the government suggest that within the past year there has been one atom of control of one rate on the lakes? The Acting Minister of Finance (Mr. Robb) knows there has not. He knows the legislation was precipitate and abortive. He knows it was hastily computed. He never had any faith in it; in fact I am informed he warned his colleagues against it. But what-

ever may be the various opinions of the government, we all know there is no regulation to-day. We all know that the grain commission which is supposed to have certain powers to define shippers or shipowners, has never exercised those powers, and does not control the rates at all. We know, as well, that the attempt this government made to establish control of rates on the lakes resulted only in the humiliation of the Dominion and in compelling us to throw ourselves at the feet of vessel owners in the United States and beg them to come back and violate the law of Canada. This government had to eat crow at the hands of American vessel owners. Such was the result of their attempt to control freights on the lakes. But, undaunted by their failure in that attempt, they now take to the broad Atlantic, and there they hope to succeed. I am reminded of a quotation given only a few days ago by the versatile member for George Etienne Cartier (Mr. Jacobs), from Childe Harold. As I heard it I thought he probably had this government in mind:

> Man marks the earth with ruin—his control
> Stops with the shore.

Singlehanded they expect to control ocean rates. I do not know what the plan is; it has not been vouchsafed to us. But the newspaper reports indicate that some arrangement has been made with Sir William Petersen, or the company he controls, under which subsidies are to be paid in large amounts from the Treasury of the Dominion, in return for which, deductions in rates or control of rates is to be secured.

I had placed in my hands just before entering the House the account of an address delivered by Sir William Petersen before the shareholders of the company of which he appears to be the head, two or three weeks ago. In this address he intimated as follows:

> The business that I have been about is a little off the beaten track. You have to go out in search of business nowadays. It does not come to you. I have been on a business trip which I think may have resulted in some amount of success and may bring a considerable amount of success to this company. I am not in a position to disclose what the business is, except that it will materialize within the next few months, and I hope that in the early spring we will be able to see our ships sailing under very much more prosperous conditions than at the present prevail, conditions such as most shipping companies are subject to, dependent as they are on the existing low freights.

Sir William Petersen's interpretation of the agreement he appears to have made is that it will relieve his company from the hardships under which they have suffered because of the low prevailing freight rates. Then he adds a word of advice to all the shareholders of his company assembled there not to do as they had been doing, sacrificing their shares at a discount, but to hold out for par, for if the shares were not worth it then, they soon would be, and he advised them in a very practical way that if any one of them got impatient, just to be good enough to come to him and he would buy the shares from him. So I think it may be fairly presumed that whether this venture is going to be better than the attempt on the Great Lakes for the taxpayers of Canada, it is fully expected to result a great deal better for the shareholders of Sir William Petersen's company.

I wish to make some reference to the Speech from the Throne of last year, just by way of comment on how seriously these prognostications in a Speech from the Throne really should be taken. The first two paragraphs I will read a little later. I start now with the third:

> My ministers are strongly of the opinion that a reduction of taxation is of first importance, and that to this end the efforts already put forth to combine strict economy in the administration of the public services with rigorous retrenchment in public expenditures, should be furthered in as many directions as may be possible.

This was the promise of a year ago. The economy so far exercised was to have been furthered in all possible directions. I have in my hands the financial statement of this country to the end of the last day of January, and I find that the result of this promise to curtail expenditure and to exercise rigid economy in all possible directions for the ensuing year has been that the government have spent some $2,300,000 more than they spent the year before up to the same date, and this in the presence of a loss of revenue of $50,210,000. This shows that at the end of January, although at that date, $3,000,000 less in interest was paid on the public debt than had been paid at the same date the year before, we were behind last year the total sum of $52,601,031. This is "substantial progress"—progress in the way of building up a deficit. The next paragraph went on to say:

> My ministers believe, however, that in virtue of economies already effected they will, when the present financial year closes, be able to announce to the country that for the first time since 1912-1913 the national budget has been balanced. They are further of the opinion that when the budget for the ensuing fiscal year is introduced it will be found that the relation between public revenue and public expenditure is such as to justify some immediate reduction of taxation.

How far was that vindicated by the event? I do not care what speech of a member of the government you refer to, you will always find that last year they reduced the debt of Canada by $35,000,000. The Prime Minister (Mr. Mackenzie King) is especially emphatic

in his boast of this magnificent achievement. It is only insulting the intelligence of parliament to say that the achievement was brought about by the endorsation of $72,500,000, worth of bonds for the Canadian National Railways instead of by borrowing the money, thus adding it to the debt, and lending it to the railways. Of the plan adopted I have never made criticism, but of the concealment of the result I have made criticism, and make it now. That endorsement, in the present condition of the national railways, not resulting—as had been the case in previous years—in a corresponding, or any, reduction of its funded debt, was the same to the taxpayers of Canada, in so far as liability goes, as a direct borrowing of the money. An indirect liability in relation to a company that cannot pay its way is of equal seriousness, indeed, it is the same thing as direct liability. The Prime Minister says: You endorsed before and did not add that to the debt. I think I showed, and I believe to-day I can show again that this was not added because there was an offset of equal amount in reduction of the railways, funded debt. But, suppose in this I am wrong, how does that affect the case? If the Prime Minister is right, this means merely that our debt at that time was so much greater than represented. Therefore, our debt now is $72,500,000 greater than this government represents, and to make the matter perhaps clearer, if anything could, that very indirect obligation of $72,500,000 gives rise and will give rise this session to a portion of the estimates which this government is bound to present, because this parliament has to vote the interest on the very money represented by the guarantees. Thus was another promise fulfilled. But I pause only to comment that there is a significant absence of both sentences from the Speech from the Throne this year. Evidently the government despair of presenting, even by the device of endorsing the bonds of the Canadian National Railways, a balanced budget in 1925. Evidently, they despair of being able to convince even this parliament that they had the faintest justification for reducing taxation in Canada in the face of her increasing liabilities.

I read the next paragraph of the Speech from the Throne of last session:

> In the opinion of the government, such reduction of taxation as it may be possible to effect should aim primarily at reducing the cost of the instruments of production in the industries based on the natural resources of the Dominion, thereby aiding materially in the development of our natural resources, and, through cheapened production, effecting a diminution also in the cost of living.

Whatever else may have been the consequence, there has been no diminution in the cost of living. I hold in my possession the chart of the Department of Labour, from which chart it appears that at the time the policies boasted of in this speech went into effect, the cost of living was 149 in the scale of the chart, and that at present the cost of living stands at 154. This is not reducing very fast. The cost of living stands to-day exactly where it stood at the beginning of 1924; it stands to-day three points higher than it was when the first budget of hon. gentlemen opposite went into effect. I am entirely aware that the chief reason for the cost of living figures is the increased price of breadstuffs. For that increased price it is quite true that the government has no responsibility; but what I am arguing is that no difference whatever in the cost of living figures has been effected by anything the government has done. But there have been a whole lot of other things that I can trace to the government's own action. The cost of living is higher than it was, but the industries of Canada are in a condition in which, as the Acting Minister of Finance (Mr. Robb) knows, they cannot compare with the condition they were in a year ago. It was not the farm implement industry that was chiefly affected, if indeed it was affected at all. I never stated to this House that the action of the government would make worse the position of the farm implement industry last year. Indeed I predicted, as hon. gentlemen to my left will recall, that all the actual protection that would be removed from farm implements would be molecular. I was somewhat bandied on account of that prediction, but it was absolutely correct. The industries that produced the goods that went into the manufacture of farm implements were seriously affected, and the production of those goods in steel and in various other articles has fallen off by huge percentages, resulting in the throwing on the street of thousands, yes, tens of thousands of the workmen of this country. To this I will return later, because for each statement I have the proof out of the government's own departments and out of the figures presented to the administration by their own supporters. I find, as well, in a pamphlet issued by the Minister of Trade and Commerce that the index figure for wholesale prices registers to-day the highest level since August 1921. It registers to-day 165.2; at that time it registered 165.5. Thus has another prediction been verified.

Now I read the following from last year's Speech from the Throne:

The stabilization and control of freight rates on grain from the head of the great lakes to Canadian ocean ports and thence to Liverpool, are receiving the closest attention.

The only thing incubated last session had reference to the rates on the lakes. I do not know what was equalized; I never could see what that word meant in this connection at all. But whatever was done in the way of pretended control resulted in a complete fiasco.

I pass from that to something else which was stated to be also in the government's mind.

The important subject of marine insurance as affecting our ports; the permanent equalization of the rate on Canadian flour, and the removal of discriminations in ocean rates on other Canadian products are receiving attention.

Parliament has not yet been informed what the result of the attention has been in so far as this insurance question is concerned. Has nothing at all been the consequence of all the mental worry of the administration? And what has been done about the equalization of the rates on flour? What have they been "equalized" with? I asked last session what in the world the clause meant, and I got no answer. I find now that it meant nothing, for, so far as parliament has been advised, nothing whatever has been the consequence. Last session it was "receiving attention." Now we are advised in the Speech from the Throne of this session that there is to be a bill to control ocean rates.

Now I return to the feature of the Speech from the Throne common to this session and to last. Possibly I had better read the words of the Speech in this regard as it appears in Hansard of last Thursday:

Since prorogation, the economic situation throughout the world has notably improved.

I do not dispute the facts of the case. It certainly has improved in the United States. I fancy the general assertion is true.

For Canada, the year 1924 was a period of substantial progress. In trade alone, the excess value of exports over imports was more than $260,000,000. The present year opens with prospects of sound and steady development. The financial and trade situation justifies the expectation of an early return to the gold basis.

Let me follow this with the reading of the corresponding subjects in the Address of last year:

I am glad to be able to congratulate you upon the many evidences of increased prosperity. Though the general economic situation still reflects the consequences of the World War, the records of production, trade, transportation, employment and public finance have been uniformly increasingly favorable throughout the Dominion. The state of general employment has been distinctly better. The volume of business has steadily increased, especially has the country reason to feel gratified at the expansion to a notable degree of its public revenues and decline of its expenditures.

Then comes this paragraph couched in apostolic diction:

I am persuaded that a reduction in taxation, and in production and transportation costs, such as will encourage the investment of capital in industrial enterprise and attract settlers in large numbers to our Dominion, are all that are necessary to effect an economic development hitherto unparalleled.

Forthwith the government commenced to effect just what they said they were persuaded would bring about this very desirable result, reduction in taxation and in production and transportation costs, "such as would encourage the investment of capital in industrial enterprises." I am going to make an examination of what really has followed these prognostications. I do not propose to say that there has been no encouraging feature at all in the twelve months that have gone by. If there is one, it is to be found in the import and export trade returns. I do not dispute the accuracy of the statement that our exports for the calendar year 1924 showed over imports a favourable balance of some $260,000,000. Hon. gentlemen in other days were accustomed to ridicule the boast by any government of a "favourable" trade balance. I never had any sympathy with that ridicule. I like a favourable trade balance. But a favourable trade balance under certain conditions means one thing, and under other conditions does not mean that thing at all. A favourable trade balance produced by sound policies arising from sound conditions is certainly something to be desired. In Canada we must have a favourable trade balance of about $300,000,000 to avoid going back in outside obligations alone, because our debts to the outside world compel us to send that amount annually to creditors beyond our shores. But how does the trade balance to-day arise? Is it sound in every respect? In many respects it is. The trade balance is accounted for by a very heavy harvest in 1923, by very favourable weather conditions the export extending into the year 1924, and, as well, by high prices for the year 1924, prices which have undoubtedly resulted in amelioration of conditions in western Canada—not to any very marked degree, I am sorry to say, but that there has been amelioration there can be no doubt. These things are sound and right, but nobody could argue sensibly that they flow from any government policy. The government had no more to do with them than with the eclipse of the sun last month. There are other things, though, which while equally foreign to government policy are not fundamentally as sound. Our wood exports

have grown since 1921—I mean unmanufactured wood—by some $38,000,000, and that does not include the export in the more advanced stage, which has grown by vast sums besides. The latter, of course, is not to be deplored, but the whole results in a reduction of the irreplaceable resources of this country, of any reduction of which we must take very serious account. In addition to an increase in wheat exports alone from 1921 of 68,000,000 bushels and some $38,000,000 worth, as I say, in unmanufactured wood, we find raw mineral production going out in tremendously increased quantities. That is not in itself in all respects unsound, but nevertheless it is something for which the government has not the least occasion to credit itself—something which results not only from the enterprise of the Canadian people, but, so far as government is concerned at all, from the enterprise of provincial governments. Our gold, for example, has grown from an export of $2,500,000 in 1921 to $28,500,000 in 1924, and almost similar figures pertain to any of those things which in the main, account for the surplus of our trade—none of them going to the making of work for any appreciable number of the labourers of our country. For none of them in the least degree is any policy this government ever initiated, or continued, responsible.

When I have referred to external trade I have referred to what undoubtedly is the most attractive feature of conditions at the present time. May I ask, Mr. Speaker, are we to hesitate in this parliament to disclose what the actual condition of Canada is? Are members of this House to be cowed by the practice and the threats of hon. gentlemen opposite—I refer to members of the government—when they call a man "no patriot" and "traitor" if he tells what the real state of the people of Canada is? Is it an answer to a demonstration of fact to be described in the language of the Minister of Justice (Mr. Lapointe) as a "Jeremiah"? Have we got to the stage when the people of this country are afraid to know the facts, prefer to bury their heads in the sand like the most brainless of animals? How is parliament to determine what the right course or the right policy is to be if we are not to take account of the state of affairs which surrounds us, by the results of policies in effect? Is this government to be permitted to place on the record of parliament such statements as this, that as a consequence of the government's policies, as the Prime Minister so often describes them, this thing has resulted and that thing—"substantial progress" in 1922; "substantial progress" in 1923; "substantial progress" in 1924; and is no one to be permitted to show that such a statement is not true at all? I do not propose to be deterred. I think the Canadian people are in a serious mood. I do not think the Canadian people think that even in the face of the repeated bounties of Providence we have enjoyed real progress at all.

Now I proceed to make inquiry into what the evidence is of what the government claims as "substantial progress" throughout the year 1924:

> The records of production, trade, transportation, employment and public finance have been uniformly increasingly favourable throughout the Dominion.

It will be noted that of all these records only one is dared to be mentioned this year, that of trade; and even our trade in its total is less than for the year 1923.

> The state of general employment has been distinctly better.

I will read another.

> The volume of business has steadily increased. Especially has the country reason to feel gratified at the expansion to a notable degree of its public revenues and decline of its expenditures.

Do you realize, Mr. Speaker, why none of these are mentioned this year? For the simple reason that the condition in every instance is distinctly the opposite: instead of a decline in the public expenditure and an increase in the public revenue there has been to date a decline of $50,000,000 odd in the public revenue and an increase of $2,300,000 in public expenditure. Passing back to the speech of last year:

> The state of general employment has been distinctly better.

Since the House prorogued last year no less than 94,000 people in this Dominion have gone out of employment. That figure left alone is not fair. It is usual in this country—I think it is inevitable—that in the later months of the year there is a diminution of employment. The minister cannot point to a diminution equal to what has occurred since we prorogued this House. I have the figures before me—and this is a fair comparison: In the year 1924 the diminution of employment was approximately 39,000—it was that much less on the first of January, 1925, than on the first of January, 1924. This is all according to the employment records, not of the Minister of Labour (Mr. Murdock), but of the Minister of Trade and Commerce (Mr. Low), the author of that celebrated piece of Liberal propaganda circulated at the expense

of the people of Canada, known as "Canada is Coming Through." The way I arrive at these figures, I may say for the information of the minister, is this: I take the percentages; I know that each one per cent represents about 8,000 or a little less, and I allow for the amount less. The number employed last first of January less, then, on the first of January, 1923, is some 20,000. It is true that there were about 45,000 more than on the first of January, 1922. That is a fact. But there is not much to be cheerful over in that respect; 1921 represented all over this continent, indeed over the world but especially on this continent, the dip of the after-war reaction. The United States suffered equally with us and as a result millions of their workmen were roaming the streets. The United States has recovered, and steadily recovered. We had a very slight recovery in 1922, but we have gone back, and we are going back still. We have to-day 16 per cent less employed in Canada than on the first of January, 1920. That 16 per cent would represent approximately 125,000 people.

Mr. MURDOCK: Does the right hon. gentleman know that he is quoting from only one side of the figures, and those figures secured from his friends the employers, and prepared, I think it can be shown, for a specific purpose? The right hon. gentleman is not giving the figures that have been secured from the labour organizations and from other sources, and which should be given in order to show the correct status.

Mr. MEIGHEN: Nothing could have been more helpful than the interruption of the Minister of Labour (Mr. Murdock). He has impugned as seriously as he can do anything, the publications of the Minister of Trade and Commerce, and he tells me I am not justified in standing in parliament and depending upon the official records of a department of this government. These records he says, are prejudiced. Instead of relying on those figures, he says I ought to base my statements on the report of the trades unions of Canada. Well, I have some trade union reports before me, I had almost forgotten about them; and, though out of turn, perhaps I could not do better than refer to them just now. These were brought to light on the day parliament opened this session, so they are very recent. I quote from a newspaper report of 6th February, of a meeting of the Montreal Trades and Labour Council:

> Unemployment statistics for forty unions were submitted at the Montreal Trades and Labour Council last evening, showing that out of 48,000 men covered by these unions, 9,324 are out of employment, and 22,463 are working on short time.

That is, sixty per cent either out of employment or on short time. I go on:

> The extent of unemployment was greater than in the same period last year—

"Substantial progress"!

> —and a very serious condition of affairs existed among the working classes of the city. Aside from the reports of institutions the committee had been informed from other sources and individuals that more calls from distressed people for personal aid had been received than during last winter or the winter preceding.

The report concludes:

> Whatever may be said about the need for a greater population in Canada, it cannot be denied that thousands who were born in this country are unable to find in it the opportunities for earning a livelihood. No more substantiation of this is necessary than figures given by the Secretary of Labour of the United States, Mr. James J. Davis. In the three years, 1921-1924 there legally entered the United States from Canada over 400,000 people, but according to Mr. Davis 850,000 persons clandestinely entered the United States in the year 1923-1924 alone, much of which came over the Canadian border.

I would think it would. It goes on:

> The Dominion Labour Bureau of Statistics estimates that through immigration and births in the past three years there has been added to our population 700,000.

Seven hundred thousand people added through immigration and births in three years. It goes on:

> In the United States' estimate there has legally and illegally entered that country from Canada over 700,000.

I do not see very much more sunshine in the reports of the trade unions than I do in the reports of the Minister of Trade and Commerce. It might be added that the index figure now is 83.9 showing that more than 16 per cent less are employed now than on the 1st January, 1920. I would like the corresponding figures to be produced from the United States and to ascertain if there has been 16 per cent, or even 1 per cent reduction in the same period in that country.

Now I want to read the other references in the Speech from the Throne of a year ago, and show what has been left out this year:

> Though the general economic situation still reflects the consequences of the World War, the records of production, trade, transportation, employment and public finance have been uniformly increasingly favourable.

I have shown the record of public finance. It has been uniformly increasingly worse. The record of transportation I have before me, and that record shows that to the end of November last, the latest figures that could be procured—I cannot find the figures at the moment, and I am willing to let it go on Hansard at this, but I know it is more—there was some 8,800,000 tons or $23,000,000 worth of transportation less in those eleven months than in the eleven months preceding. Trade also in its total is less, though the favourable

trade balance is equal or perhaps a little more. If this clause of a year ago were sought to be reproduced to-day, and there was any fidelity to truth displayed, it would read as follows: "Through the general economic situation still reflects the consequence of the World War, the records of production, trade, transportation, employment and public finance have been uniformly increasing by worse throughout the Dominion. The state of general employment has been distinctly worse. The volume of business has steadily decreased"—as I shall show a little later. "Especially has the country reason to feel mortified at the expansion of the public expenditure and the notable decline of the public revenue."

The reason is apparent why the government did not follow the phraseology of last year. Now I want to make some comment on the next paragraph in the Speech of last year:

> I am persuaded that a reduction in taxation, and in production and transportation costs, such as will encourage the investment of capital in industrial enterprise and attract settlers in large numbers to our Dominion are all that are necessary to effect an economic development hitherto unparalleled.

This has been supplemented by a speech of the Minister of Soldiers' Civil Re-establishment (Mr. Beland), who true to the mottoes of his party and his colleagues announced even last night that Canada was "on the eve of a great wave of prosperity, the greatest in the last fifty years." I wonder what day there has been in the three years that have gone that we have not been told about that "eve" on the edge of which we are continually standing. Has anybody witnessed an eve that lasted quite so long? How is it the dawn never comes? How is it that none of these things result that the government predicts session after session? There was going to be a reduction in production and transportation costs following reductions in the tariff, and as a consequence there was going to be a flow of capital into investment in industrial enterprise, and settlers were to be attracted to this country in large numbers. The records of the Immigration department show that instead of attracting settlers in large numbers, the numbers are far smaller, and they are getting smaller continuously. In December last, only some 2,000 came to this Dominion. We have heard a very great deal lately about "returned Canadians." I do not know how the records are kept, but I do say that the numbers vary materially from those given out by the United States. In the reports of the United States the number of Canadians returning per year is not so great as the number this government says came back during a month—namely about 4,000.

But here is something very interesting indeed: If the minister will look at the returns of his own department he will find that the total number of Americans who came to Canada—American citizens, aliens and all the rest outside of Canadians—was, in the month of December, 741. My figures are tolerably close. But he says some 3,000 returned Canadians came in. Therefore, we are asked to believe that of all immigrants coming from that great republic, extending, as it does, east and west for a distance of nearly four thousand miles, four out of every five are returning Canadians! We do not see many of them here, and it would be very remarkable indeed if such a proportion as that could prevail. But let us assume that it does; what is the consequence? The emigration from Canada to the United States in 1923 was 181,973; in 1922, 62,289; and in 1921, 52,929. For the eleven months of 1924,—the figures are the latest I can get,—the recorded emigration to the United States alone is 147,330.

Mr. MACKENZIE KING: From what source are those figures taken?

Mr. MEIGHEN: I sent to the Immigration Department of the United States direct and got them; they are quoted everywhere and accepted. But those figures only include the number who report themselves as going to the United States to remain; not those who report themselves as going there to visit, nor to others who get through by one surreptitious method or another; and the United States Minister of Labour reports that 850,000 have so crossed, not our borders merely, but all borders, in two years alone. In this connection I do not quote from any source the government can attack. The Trades and Labour Council of Montreal in their report, which I read to the Minister of Labour, declare that in these three years 300,000 of our people crossed over illegally and 400,000 legally. That body gives 700,000 as the number entering legally and illegally, and it bases its estimate on the report of the United States Minister of Labour. Mr. Grant MacNeil, Secretary of the Great War Veterans' Association, who has been appointed to a responsible position by this government and against whom I do not think they will comment, in the course of an article expresses the belief that a most conservative estimate of those who go, besides those who are counted, would place it at fifty per cent of the number who legally leave the Dominion. This is the lowest estimate I have seen anywhere. Now, let us keep within it and we

have passing from Canada, in these three years of substantial progress, no less than 600,000 of our people. The Prime Minister says there have returned, in the last nine months, some 37,000. I have already stated my reasons for questioning the accuracy of that return, but assuming it to be correct what does it amount to? Why it means this: That there are at least four and one-half going out for every one who came back during these years of "substantial progress". All through these years when Canada has been reaping the rich reward of what are called "government policies" immigration diminishes. If I may be allowed to compare what has taken place in this respect in the three years that have gone with the three years that preceded them I shall present a few figures all taken from the government returns. Commencing with March 31, 1922, when, I suppose, this government had got fairly under way, the number who have entered Canada since, up to the end of 1924, according to the government records, is 322,017. The number who entered in the previous three years during exactly the same dates was 355,812. To bring in those 355,000 there was spent $4,713,000. To bring in the 322,000 in exactly the same period under this government the sum of $9,102,000 was voted. And while the three years preceding were passing, while the 355,000 odd were coming in, this country returned to its shores and absorbed in civil life no less than 400,000 of its soldiers from overseas. After they have returned, after they are all absorbed in civil life, this government spent over nine millions to bring in 322,000 immigrants; and while those 322,000 have been coming, 600,000 have been going from Canada to one country alone. This is the "substantial progress" which resulted from the enactments of the policies of this government.

Now, I want to make some reference to a publication which has gone out with the signature of the Minister of Trade and Commerce, gone out at very considerable expense. The title of this publication is: Canada is coming through! Stand by her; in your faith lies her strength.

None of us fail in faith in Canada, but do not let anybody confound faith in Canada with faith in Canada's government. Here is proof of the case. I will read a few of the statements made. In commenting on these statements I do not pay any attention to outside opinions, especially those expressed in after-dinner speeches. The House will note I have not quoted any. I believe in quoting facts based on the best authority that can be reached. Now to test the accuracy of the minister's proclamation:

Employment: Canada began the year 1924 on a considerably lower level than the United States, but has ended the year considerably above the latter. In January, 1924, our index number was 88.7. In November it was 93.0.

Does the Minister of Trade and Commerce (Mr. Low) say that is true? He says it is. Well, his department says it is not. The official figures of his department state that on January 1, 1925, our index number of employment was 83.9.

Mr. LOW: Use the same dates.

Mr. MEIGHEN: I am doing that very thing. So on January 1, 1925, our index number was 83.9 whilst the index number of the United States on the same day was 89.4.

Mr. LOW: The leader of the opposition is quoting January 1, 1925?

Mr. MEIGHEN: Certainly.

Mr. LOW: I was not quoting January 1, 1925.

Mr. MEIGHEN: Ah! But the Minister of Trade and Commerce says that Canada began the year 1924 at a considerably lower level than the United States but ended the year at a figure considerably above the latter. How do you end the year 1924 until you get to the first of January 1925?

Mr. LOW: Stick to the dates I have quoted, and you will find the figures are correct.

Mr. MEIGHEN: What does the hon. minister mean? Why did he tell the public that at the end of the year 1924 we were higher than the United States? We were nothing of the kind. That is the statement I am contradicting. One needs only to take our own government reports, the report of the minister himself, to show that the conditions of employment in the two countries are not comparable at all. In the last report I have in my possession, published by the minister for January, 1925, he said that there was last month a heavy reduction in employment. It also shows that we have lost in the year approximately 38,000, and the same report shows that taking the United States—and numbers of them are quoted here—during the same period there was improvement in employment. These reports are published by the minister himself. In the face of reports of his own department which I hold in my hand, he tells the public, at the public expense—because he charges them for the misrepresentation—that though we began the year worse

than the States we ended it far better. He says:

The net operating revenue of Canadian railways showed an increase of over two and a half million in 1924 compared with the preceding year. The Canadian National lines in Canada have increased their net operating revenue in 1924 by over one and a half million.

I state, Mr. Speaker, in your hearing that not one word of that is true; quite the contrary is true, and I hold the official reports to prove my words.

Mr. LOW: It is very easy to verify the figures, and I think my hon. friend will find they are correct if he will take the trouble to look them up.

Mr. MEIGHEN: I hold in my hand the report of the hon. gentleman's own department. This is the report up to the end of November; the report to the end of December is not yet published, it cannot be got; I tried at the minister's department to get it this morning, but could not do so. I quote a paragraph which refers to the Canadian National railways in Canada.

For the eleven months, January to November, gross revenue showed a decrease of $23,173,053.

I stop there only for a moment to remark, that it is gross revenue which really reflects the condition of the country, it is net revenue which reflects the management of the road, or at least contributes to decide on the merits of the management. I proceed to read all of this report:

For the eleven months January to November gross revenue showed a decrease of $23,173,053.
Expenses, a decrease of $21,927,997, and net operating revenues a decrease of $1,245,056.

Why does the minister give, through his department, the facts as obtained from the railways showing a diminution in net of about one and a quarter million, and then publish Liberal propaganda at the public expense to say there was an improvement in net of $2,250,000? The minister cannot escape by any differentiation, because his own department assures me those figures refer to railways in Canada. The figures are worse when they refer to the two companies, United States territory included.

I proceed to examine the second sentence, because I said it was not correct either. It says:

The Canadian National lines in Canada have increased their net operating revenue in 1924 by over one and a half million.

The House will note the minister only mentions the Canadian National lines "in Canada." Unfortunately he is wrong even then, because his own department has shown that to the end of November there was an improvement of only about half a million dollars. I do not know what occurred in December, it was a bad month as every one knows, but to November 30, eleven months, the whole improvement in net of the Canadian National lines in Canada was limited to $593,701. How does the minister justify charging the public of this Dominion for circulating entirely misleading and false propaganda for his party? I do not want the House to get the idea that this is the full extent of the falling off for 1924, because this report goes on to say that when there is included the Canadian National lines in the States, the whole system, the reduction in net—and this is in operation alone—is $2,239,121. In addition to this loss, the failure to come up to last year in net operation, we have some five to six millions increase in fixed charges; so that there is no possibility—for December is past—of justifying the statements which have been made. The figures already known show that we will be seven to eight millions worse than we were a year ago. And this is considered as authority for the assertion that Canada is "coming through." I have not any doubt Canada "came through" with money to pay for the advertisement. Another paragraph states:

On December 31, 1923 the Canadian people had on deposit in banks (chartered and savings) $1,274,326,346. This has increased to $1,274,427,867, by September 30, 1924.

That is an increase—to show that "Canada is coming through,"—of $101,341, or about a cent and an eighth each for the people of our country. Verily, the "policies" of this government are making us rich. Of course the minister adds—and I have not had time to look into it and therefore do not question the accuracy of his statement—that there had been an increase of ten million in deposits in provincial savings banks. The whole added together would be an increase of a dollar and fifteen cents for each person in this period of time. The minister says this is a demonstration of "substantial progress." Very well, when this government came into power deposits in our chartered banks were $1,387,084,646. They are now $1,274,427,867, and have thus diminished since this government came into power by $113,000,000. How is an increase of a dollar and fifteen cents in these months for each person in Canada to be called evidence of "substantial progress," if the large decrease which I have mentioned extending over the past three years in the deposits in chartered banks is not an evidence of actual retrogression? In fact, all this "substantial progress" the minister talks of, so far as finance goes,

is progress in building up a deficit, and so far as industry goes, is progress in liquidation and so far as population goes, is progress towards the equator.

I come now to the question of industry, but before I do so there is a paragraph to which it would be really a shame not to refer. I ask you, Mr. Speaker, because I know you are possessed of this quality of mind, just to meditate on the exquisite humour latent in this boast:

> The housing scarcity which was so serious as a result of the cessation of building during the war has now been fairly met and the nation is free to turn its capital into more immediately productive channels.

I do not dispute the fidelity, to truth, of that paragraph. Far be it from me to deny this government the capacity to solve any housing problem that ever affected a nation. Put this government in charge of any country on earth and in two years there will be no housing problem to solve. They will solve the housing problem, not by building houses for the people, but by chasing the people from the houses. It may be worth while to add that the decrease in building permits last year from the year before was, according to the minister's own return, 7.3 per cent and from the previous year 17 per cent. What is to be thought of this conglomeration of falsities by which the minister seeks, at the expense of the people, to parade the alleged achievements of this administration?

Let me now make some reference to another question which has received some discussion during the summer. It has reference to a statement I made in the city of Stratford on the 20th day of August last, this statement which, according to the newspaper reports I have here, was to the effect that one thousand factories—

Mr. RANKIN: Two thousand.

Mr. MEIGHEN: I will come to that—had gone out of business since this government came into power. My words just now were "according to the newspapers." I think I said two thousand, and I know that later on I said two thousand after the violent and rather offensive contradictions of the Prime Minister had been adduced. By the figure two thousand I am prepared to stand.

Mr. MACKENZIE KING: Give us a list of them.

Mr. MEIGHEN: Yes, I could give the Prime Minister a list.

Mr. MACKENZIE KING: Will he?

[Mr. Meighen.]

Mr. MEIGHEN: In fact, I think a list of most of them is in the hands of the Minister of Labour now.

Mr. MURDOCK: No.

Mr. MACKENZIE KING: I would ask my right hon. friend—

Mr. MEIGHEN: I do not think I should be asked to give publication to individual names, but I will give the proof of what I said right now. I hold in my hand the report of R. G. Dun & Co. for the last three years. Does the Prime Minister dispute that R. G. Dun & Co. is a responsible firm?

Mr. MACKENZIE KING: I will quote to my right hon. friend from R. G. Dun & Co.

Mr. MEIGHEN: What I stated was that that number had closed their doors. I did not state that that number had failed. Many a business closes its doors that does not fail.

Mr. MACKENZIE KING: On Saturday night.

Mr. MEIGHEN: This is a quotation in Saturday Night from R. G. Dun & Co. The number of failures, not including those who merely closed their doors, was 625 in 1924. These would not all be included prior to the 20th of August, and I will come to a division later. In 1923, there were 792 and in 1922, 857. The first two years, 1922 and 1923, added together total 1,649 in failures alone. The proportion of the number given for 1924 which would be prior to the 20th of August is exactly 399, and I do not think it will be asserted that there were more failures in the latter part of 1924 than in the former part. Adding 399 to 1,649 we get a total of 2,048 failures according to R. G. Dun & Co., from the advent of this government up to August 20, 1924. In these figures, I repeat, are not included those, too many of them, who closed without the process of liquidation at all. For example, the big glass factory which was referred to last session in the budget speech did not go into liquidation. Have I established what I said? I asserted at the same time, from the same platform, that in the same period other industries had opened, but I stated what was the absolute fact, that in employing capacity they did not compare with those which had closed. This is what has been going on. This is what is supposed to satisfy the people of Canada. The debt of our country grows day by day, month by month. It is not possible any longer to conceal the truth; it is not possible

to remove it if present policies are pursued. According to the government records this country is at the present time $52,000,000 behind where it was at this time a year ago, and when the railway returns come in, that sum is bound to be increased. The actual deficit last year was about $38,000,000. Where are we to land at the end of 1924-25? Are we supposed to presume that sound policies are being pursued which result in this culmination? Is all this satisfactory to the people in Canada? Is this progress comparable with the position disclosed by our neighbours to the south, who are situated much as we are and whose debt after the war and three years after the war was virtually the same proportionately as our own? It is entirely out of the question to appeal to this government to surrender the sweets of power; these are dearer to them than life. But I hope it is not out of the question to ask them, in the sight of conditions which prevail to-day, taking into account and giving every weight to those few which present any favourable aspect at all, to admit their error, reverse their policy, and give Canada a chance.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I have much pleasure in joining with my right hon. friend in congratulating the mover and the seconder of the Address. The hon. member (Sir Eugene Fiset) who moved the Address is anything but a stranger to this city, though he now comes to parliament for the first time. For many years his distinguished record in the public service has been well known, not only throughout this country, but in all parts of the British Empire. During the South African war he rendered gallant service in South Africa, and through the whole of the late war he rendered as important service as any administrative officer in this country could have rendered the empire at that time. We are, indeed, proud to welcome him to this parliament for his known ability in an executive and administrative capacity; after hearing him this afternoon I feel sure that welcome will be extended not less on the score of his qualities as a parliamentarian and his admirable gift for public speaking. It is, I am sure, a source of pride and pleasure to the hon. member to realize that he succeeds in this parliament his distinguished father who, for many years, represented here the constituency which the hon. member to-day represents and was also for many years a member of the Senate of Canada.

May I, in making mention of this fact, draw the attention of the House to the circumstance that of the five new members whom we had the privilege of introducing on the day of the opening, and who sit on this side of the House, no less than three succeed their respective fathers to representation in this House of their respective constituencies. The hon. member for Northumberland, N.B. (Mr. Snowball), bears a name which is familiar to all who have followed the public life of Canada. His father was not only an hon. member of this House but was also later a member of the Senate and subsequently lieutenant governor of the province of New Brunswick. The hon. member for Temiscouata (Mr. Pouliot) comes also of a family whose name is well known in our political history, his father having also represented the present member's constituency with great distinction. Of the two other members who were introduced on the day of the opening, I think I can say that in the short time they have been before the public their names have become almost household words in the Dominion. The hon. member for St. Antoine (Mr. Hushion) has not been long in this House, but I venture to say that from one end of the country to the other the campaign which he waged so successfully in the city of Montreal during the recess is as well known as any recent political event.

May I, too, congratulate most heartily the seconder of the address, the hon. member who now represents in this House the constituency of West Hastings (Mr. Hanna)? I am sure my right hon. friend will agree with me that the constituency of West Hastings is to-day better known throughout Canada than it ever was before. Hon. gentlemen will recollect that my right hon. friend himself opened the constituency last session in order to test public confidence in the present administration. In his courageous way, he chose a constituency that from the days of confederation had been the most strongly Tory of any in Ontario. He chose a constituency in which he thought it would be impossible for anyone other than an opponent of the government to be returned. He took a very active part in the fight, he brought forward the policies he is advocating in the most forcible way, and after the election had been fought his candidate was defeated by an overwhelming majority by the new member for the constituency. The hon. member for West Hastings will long be remembered by that well merited victory. By his speech in the House this afternoon, he has added laurels to those already won.

My right hon. friend is accustomed to say that the government of the day does not

enjoy public confidence, and he is continually putting forward his pet panacea of increased tariffs as a means of remedying the ills of the country. Knowing his faith in his patent remedy I marvel that in the course of his remarks to-day he did not speak at greater length on that particular theme. Perhaps he had in mind his somewhat unique procedure of presenting to the public on the eve of the opening of the House a manifesto in the name of his party which sets out his particular remedy for all existing conditions, and may have felt that the manifesto had received sufficient publicity for the present. What I should like to draw to my right hon. friend's attention is that his panacea was before the country in 1921 and met with a very poor welcome at that time. He started his campaign in the month of August, and continued it on into December; at the end of all that time, after telling the country that the one great remedy needed for its ills was increased protection, he was left without a single follower in six of the nine provinces of this Dominion. When parliament assembled he told us that the people had been deceived and that the government did not enjoy public confidence. Since last session six vacancies have given rise to contests in as many constituencies and five out of the six have returned supporters of the present administration. The one remaining constituency, a constituency in which my right hon. friend himself also participated in the campaign, sent his supporter back by a very considerably reduced majority. In view of all this, I should think he would feel that the remedy which he is proposing is not one that the people of this country deem essential at this time.

Now, Mr. Speaker, I did not think it would be possible that my right hon. friend would be satisfied with the Speech from the Throne. Last session when a number of subjects were enumerated in the Speech he told us that we might better have omitted some of them; to-day when one or two matters are not referred to in specific terms he tells us they ought to have been included. It is apparent that no matter what the government might attempt in that regard, it would be impossible to satisfy my right hon. friend.

However, he did make a reflection upon the Speech from the Throne which I think was scarcely justified, though possibly the reason for it may not be far to discover. He said that he thought the speech was mostly water, and that what there was in substance would be found indigestible. As I listened to my right hon. friend's halting and faltering review of the speech, I could not help thinking that he must be suffering from the indisposition to which he had referred.

My right hon. friend spoke of the Geneva protocol and asked why no reference to it was contained in the speech, why the government had not declared its policy. He made some reference to the effect that the British government had announced its policy in the Speech from the Throne. If I caught his words aright, I would say that my right hon. friend is not correct in that statement. The British and other parliaments of the empire have met recently and so far as I am aware the government of not one of them has announced its policy with respect to the Geneva protocal in its Speech from the Throne; and I presume for the same reason—a reason that I think will appeal to hon. members of this House. As hon. members are aware, the government of Great Britain a short time ago made inquiry of the several governments of the dominions as to whether or not it would be possible for some of their members to be present in England during the spring of this year to discuss the Geneva protocol. On account of the opening of parliament members of the present administration thought it would be inconvenient, if not impossible, to be absent at this time, and so informed His Majesty's government at Westminster. A similar reply, I think, was sent by practically all the other self-governing dominions. The suggestion was made that it should be possible, by means of correspondence between the dominion governments and the government of Great Britain to work out this matter in a manner that would be satisfactory to the empire as a whole. That position was accepted by the British government and we are at the present time in communication with His Majesty's government in Britain and with the other governments of the Empire, but in view of the fact that up to the present, the matter has not been disposed of in any final way, as advisers of His Excellency we thought it desirable and proper that no allusion should be made by him to the subject in the Speech from the Throne. The government will make its position known at the right time, and ample opportunity will be given to hon. members to discuss the protocol in all its bearings.

Now, my right hon. friend referred to a number of matters dealt with in the Speech from the Throne of the present session, and to the Speech from the Throne of last session —I do not know how he overlooked the Speech from the Throne of the year before— I shall not try to follow him in any detail; rather I shall take up the more important

points which he endeavoured to discuss in the course of his remarks. First, may I deal with the question of immigration, because it helps to illustrate as well as any the difference in point of view between my right hon. friend and myself. He said he did not propose to be bullied or bludgeoned or cowed into not making any statement that he thought it was right and proper that he should make. I do not think anyone has ever tried to bully or cow my right hon. friend, and were such an attempt made I may say for him that I do not think it would be successful; my right hon. friend would say what he intended to say, no matter what the consequences were. He said that he thought it was the duty of a public man to state the facts, and he raised the point of patriotism in that regard. Now, I agree with him in that; I think it is the duty of a patriot to see that his country is fully informed in regard to its own affairs. But I would say to my right hon. friend that patriotism extends beyond the mere statement of facts to the interpretation that is put upon the facts, and the true patriot to my mind is the man who will endeavour to put the facts relating to his own country's affairs before the people in such a light as will best serve the interests of his country. In other words he will not seek to interpret the facts in such a way as to serve party rather than public ends, which is, I regret to say, what I am afraid, my right hon. friend has been doing in some of the statistics and alleged facts he has been quoting of late.

In regard, then, to the question of immigration let me give the facts in as few words as I can, and in the light in which I think they should be presented to the country. We do not pretend that during the first year or two we were in office we were successful in bringing immigrants into this country in large numbers. That was no fault of the administration. My right hon. friend had been in office the year before, but at that time, when arrangements should have been made preparatory to the bringing of immigrants from the Old Country, sowing the seed abroad so that results of some value could have been produced, he was not concerned about emigration affairs in Great Britain or elsewhere; he was thinking of a general election which he brought on in Canada in the fall of 1921. The result was that when we came into office we found that for a year or more practically the whole machinery of immigration had been stopped, allowed to run down and to rust, that nothing had been done; that as a consequence the flow of immigration had virtually dried up at its source. Naturally, until it was possible for the government to reopen the offices abroad and get the machinery of immigration effectively at work, there could be no such quick returns as might otherwise have been effected. Let me say this in fairness to my right hon. friend: I think there was some excuse for his attitude at the time. We were just succeeding the period of the war. We had but recently been in the period of demobilization. Men had been brought back to this country by thousands and had to be re-established in industry. To have added large numbers of immigrants at that time, especially when there was the amount of unemployment as had existed during the preceding two or three winters, would not have been to help any immigration policy but would rather have created discontent and discord throughout the country, a condition which would have operated very seriously against the coming of immigrants to Canada later on. I want to put the facts clearly, as I think it is only by a plain understanding of the circumstances that the country will get a true appreciation of what has taken place.

May I draw attention to another fact, namely the position of Canada with respect to immigration as contrasted with the position of the country to the south? I need not remind this House—and by the way, I would like hon. members to keep this fact in mind throughout the discussion of questions relating to the conditions in Canada as compared with those in the United States, that Canada went into the war in August, 1914, whereas the United States went into the war in April,—I think it was April,—1917. While we with our much smaller population were spending over a million dollars a day in the maintenance of troops abroad, the United States was producing munitions, was producing ships, was selling vast quantities of supplies to Britain and the allies, and receiving in return vast sums of money. When the war was over we found ourselves with our public debt increased to the extent of two billions of dollars, $1,650,000,000 of which had been added as the capital cost of the war, every single dollar of which was borrowed money and not a cent paid back. There is a circumstance which I think hon. members will do well to keep in mind—the whole capital cost of the war, so far as Canada is concerned, was met by hon. gentlemen opposite out of borrowed money. To-day we have to pay interest on that vast sum; we have to find means of paying off that principal. Yet my right hon. friend criticises us because public expenditures are so large.

As a matter of fact, two-thirds of the public expenditure is uncontrollable; it cannot be altered one way or the other, no matter what the government may do. As against that increase in our public debt, the United States has been claiming payments from Britain, for supplies furnished during the war, an amount which, if I mistake not, is twice as large as our entire public debt after the war—something like four billions of dollars which will be paid in full over a series of years. When the conditions in Canada are compared with those in the United States, the true patriot is the man who will emphasize to the Canadian people the condition in which this country finds itself at present and the reasons why it has come into that position relative to the great country to the south.

Mr. MEIGHEN: Will the Prime Minister permit a question? Will he not admit that the American debt per capita three years ago was as great as the debt of Canada per capita? Does not that answer his whole contention?

Mr. MACKENZIE KING: I have not the figures of the debt per capita, but I have given a statement, which I think my right hon. friend will not question, as to the different positions occupied by the two countries at the time of which I speak. Now, may I continue what I was saying bearing upon immigration?

At the time that large numbers of men were coming back to Canada for demobilization here; at the time that we were suffering from a surplus of labour seeking occupation, there was a very considerable boom in the United States. Men in the United States who had made vast sums of money during the war were spending money freely. Then the United States decided—and this helps to explain the immigration that flowed from Canada to that country—to introduce what is known as its quota law, designed to prohibit more than a certain number of persons from coming into the United States from Europe. They passed a law which provided that after a certain percentage of the existing number of peoples from the European countries had come in, no other persons from those countries were to enter the United States in that year. But that law did not apply to Canada, and the result was that with the boom prevailing in the United States at the time, with the vacuum created in the labour market of that country by the quota law, a large number of mechanics and others from Canada crossed the border, as they are accustomed to do and have been doing from the days of confederation down to the present, to seek temporary employment and to get what benefit they could from the building boom to the south.

There is one further point to be remembered in connection with the crossing over to the United States, and it is this: no man can leave Canada to take up employment in the United States under contract expressed or implied; otherwise he is violating the Alien Labour Act of the United States and is liable to be returned. The only way a man can get into the United States and hope to enjoy the benefit of an opening in a trade or industry, of which he may have learned from a friend or in connection with which he may have received some promise of employment, is to declare that he is an immigrant. The result is that thousands of men who had no thought whatever of becoming permanent citizens of the United States, men who were out of employment temporarily in Canada and desired to take advantage of the boom in the United States, declared that they were immigrants. When the particular work that they went to the United States to engage in was over—it may have lasted two, three, up to four, five or six months—they came back to Canada.

Unfortunately our immigration department kept no statistics of those who came back; there are therefore no statistics to set over against the figures recording the numbers who crossed over to the United States temporarily. We did start keeping a record in the month of March last, of those coming into Canada from the United States last year, who had been in the United States at least six months and under three years, and the figures show that they have been returning at the rate of 4,000 a month. Some 50,000 odd have come back within the last year who had been in the United States over six months and under three years. Our records do not show those who have been over there under a period of six months, but as every hon. gentleman who has a constituency alongside the American frontier, or even some distance remote from the frontier, knows, persons are crossing over to the United States at all seasons of the year—a certain number of men and some with their families, who go over there for a short time, very frequently, less than six months, and come back. All these people are shown by the United States authorities as immigrants. No record is kept in our department of their return to this country. Now may I be permitted to ask, is it not the part of patriotism, when people are struggling, as our people are, to improve conditions, to let the country know the truth, to put plainly before the people a circumstance as vital as that?

Let me go one step further. I asked my right hon. friend where he got his figures, and he told us he wrote to Washington for them; he got them from the Immigration Department at Washington. But did my right hon. friend write to the Census Department at Washington to get their record of native-born Canadians registered in the United States? This is what I wish to point out to him: During the time he was a member of a government, from 1910 to 1920, according to the records of the Immigration Department of the United States, the department to which he wrote for his information, between 700,000 and 800,000 Canadians, 742,000 to be exact, went over to the United States as immigrants from Canada. That is according to the statistics of the Immigration Department of the United States, one-tenth of the population of this country emigrated to the United States, during a part of the time my right hon. friend and his party were in office. Now, if I wanted to condemn him and his government, if I wanted to misrepresent the facts so as to confuse the public mind as he has been doing, I would begin to make capital of that sort of thing.

Mr. MEIGHEN: The Prime Minister could not, because they are going at twice that rate now.

Mr. MACKENZIE KING: My right hon. friend had better not make the situation worse for himself. Let me finish what I was going to say. Those are the figures of the United States Immigration Department, but the United States Census Department also keeps a record of the persons who remained in the United States, and that record shows that in the year 1920 there were 78,000 fewer native-born Canadians in the United States than were recorded in the census ten years preceding. Now, where is my right hon. friend and his figures? I contend, Mr. Speaker, that exactly the same kind of thing is true to-day. I contend further that no man is a patriot who will quote the figures of the Immigration Department of the United States in the way in which my right hon. friend assumed to quote this afternoon, without at the same time making the kind of explanation which I have made here. He told the House, and it is to go out to the country, that 600,000 Canadians have gone to the United States as immigrants during the three years this government has been in office; that is one-fifteenth of the total population of Canada. Now, who believes that? Who can possibly believe it? Yet my right hon. friend stands there as the leader of a party, and for the sake of trying to make propaganda to put into his patent medicine tariff scheme, he tells the people of this country that 600,000 Canadians have gone over to the United States as emigrants, and to prove it he quotes the figures he got from the United States Immigration Department. I would ask my right hon. friend, before he repeats those figures, to communicate with the Census Department of the United States and get public records that are authentic, that represent the true state of the case.

A word, now, in regard to manufactures. My right hon. friend went through the previous Speech from the Throne and found there some mention of increasing employment, increasing transportation and trade, increasing savings, and the like, all of which statements were absolutely true. Then he takes the Speech this year, and because mention of the same facts was not made in the same words, he would have the people believe that, relatively to the United States, this country has been going behind. As I recall his words—and he will correct me if I am wrong—he said that while conditions had been improving in the United States they had been growing worse in this country. He referred first to a depressed condition that existed for a time some years ago in the United States, then he came up to the present and said that while matters had been going behind in this country, they had not been going behind in the United States in the same way, and he gave certain figures of employment and living costs in an effort to substantiate what he was saying. I thought that possibly he might be repeating this afternoon some of the things he has been saying during the recess, so I went to some pains to get exact information to give to the House in regard to these matters, and if the House will permit me I shall quote a few reliable statistics which show the relative positions of the two countries during this past year, to have been the very reverse of my right hon. friend would have the House believe, namely that conditions were very much worse in Canada during 1924 than they were in the United States.

May I first of all remind him and other hon. members of the visits which we have had in this country within the last few months of two or three distinguished Americans, men of international reputation in the world of finance, statistics and economics, men who are accustomed to use care and caution in what they say about the conditions of any country of which they speak? May I recall that without exception these gentlemen have referred to the relatively prosperous condition of Canada as compared with condi-

tions in the United States? There is no name better known in Wall street than that of Mr. Otto Kahn. He delivered a notable address in this city only a few weeks ago in which he told Canadians that to all intents and purposes, so far as he could see, no country had ahead of it quite the future that Canada has at the present time.

Mr. BOYS: That is a different thing.

Mr. MACKENZIE KING: Different, in what particular?

Mr. BOYS: The difference between prospects and realities.

Mr. MACKENZIE KING: If my hon. friend wants realities I will give him a quotation from another authority. He may have heard or read of some of the speeches made by Mr. Roger Babson, who, as I think hon. members know, is an outstanding statistician in the United States. Here is what Mr. Babson had to say, speaking at Toronto on the 25th of September last:

> The situation to-day in Canada is fundamentally much better than in the States, I say that as a statistician not as a publicity man, and my reasons are that in the States we have had this temporary inflation of six month or a year, which suspended the period of re-adjustment.
>
> Conditions in many of the United States cities are worse than in Canada. The boom of 1923 is over and the reaction is taking place; whereas in Canada the re-adjustment of the past twelve months is now behind us instead of ahead of us. Now business has dropped off in the States, factories are working to fifty or sixty per ecnt capacity.

Is that reliable enough for my right hon. friend?

Mr. MEIGHEN: When was that?

Mr. MACKENZIE KING: That was in September, 1924.

> In the States they are working fifty or sixty per cent capacity, the credit situation is very poor and your workmen who went over the line a couple of years ago are very glad to come back here because conditions at the moment are better in Canada than in the United States. I believe you will return to normal conditions and a period of prosperity sooner here in Canada than we will in the United States.

Now, there is reliability, patriotism if you wish.

Mr. BOYS: I hope he is right.

Mr. MACKENZIE KING: I can assure my hon. friend that Mr. Babson makes no statement unless he is convinced that it is right.

Mr. MEIGHEN: You can quote him on anything.

Mr. MACKENZIE KING. I have given a quotation from the speech of a distinguished statistician of the United States who, coming to Canada, makes the statement to which I have just referred. My right hon. friend the leader of the opposition says that Mr Babson can be quoted in different ways. Very well, I will take the official statistics of the United States and quote to my right hon. friend from that source. I think that probably the bulletins of the Federal Reserve Board are as authoritative and conservative in their statements as any that are published in the United States. I have the latest number, the January issue, of the Federal Reserve Bulletin here which gives industrial and commercial data relating to November, 1924. It says that in that month in the United States there was decreased production in the basic industries, decreased railroad car loadings, and decreased wholesale trade. For the six months ending November the production in basic industries for 1924 is 21 per cent lower than in 1923, and employment is still 12 per cent lower than the year before. Wholesale trade for November, 1924, is only 84 per cent of that of the same month in 1919. For the six months ending November, railroad car loadings in 1924 are 5 per cent smaller than for 1923. Factory employment for November is the same as for October—9 per cent below the 1919 and 1923 level and 20 per cent below the high peak of June 1920.

I have here a statistical table which appears in the Federal Reserve Bulletin on the production in basic industries which gives the whole industrial tale in a nut shell, by comparative months, 1924 as against 1923. I myself have added a column giving the 1924 shrinkage. Here we have the percentages for the five months' period, June to the end of October. I would pause to remind the House that the production of the basic industries determines in a very exact and direct way the production of all the secondary industries. If the basic industries have fallen off in production, the secondary industries will also fall off considerably. Now, what do the figures from this source show as to the conditions in the United States from June to the end of October last year? Let me give the figures:

United States Basic Industries, 1923 and 1924

Month	1923	1924	1924 shrinkage
June	122	94	28
July	121	94	27
August	120	94	26
September	114	103	11
October	118	109	9
5 months average	119	98	21

The table shows that in the five months ending October, 1924, the basic production in all lines of industry in the United States was 21 per cent less than during the same period of the year before. Could there be more con-

vincing evidence of the very considerable depression existing in the United States last year?

Mr. MEIGHEN: Has my right hon. friend figures comparing conditions in the United States during the past year with conditions in that country three years before? It is that that I referred to.

Mr. MACKENZIE KING: I have some figures here covering that period, but I thought my right hon. friend had made a comparison between the years 1923 and 1924, these being the years mentioned in the Speeches from the Throne to which his references related. It was his argument along that line that I was endeavouring to answer.

Now to present further particulars. My right hon. friend referred to the iron and steel industry in Canada, and spoke about the falling off in the production of those commodities, leaving the impression that Canada alone in this particular had suffered. Let us examine first the situation with respect to iron and steel in the United States. The United States Federal Reserve Bulletin for December, 1924, at page 953, sets out in parallel columns the iron and steel activity for October, 1924, compared with October, 1923. Against these items I have added the percentages of 1924 shrinkage. Here is the table:

United States Iron and Steel Production

Commodity movements	October 1924	October 1923	1924 decrease per cent
Iron-ore shipments at Lake Superior (long tons)..	5,597,000	8,100,000	44½
Pig-iron production (long tons)..	2,477,000	3,149,000	27
Steel-ingot production (tons)..	3,111,000	3,577,000	15
Unfilled orders, United States Steel Corporation (long tons)..	3,525,000	4,673,000	32½

These figures give as true an index of the depression in a basic industry of the United States as it would be possible to find.

On page 951 of the Federal Reserve Bulletin it is shown that pig-iron for September, 1924, averaged 33 per cent below the 1923 level for the same month. Steel ingot production was 17 per cent lower. The total iron and steel production for September and October, 1924, was only 77 per cent of the production for the same months in 1919, five years before. Only 45 per cent of the total number of blast furnaces in the country were in active operation at the end of October, 1924. I submit that if my right hon. friend takes the trouble to compare the statistics in this country with the statistics which I have just quoted from authentic sources in the United States he will find that, having regard to the tremendous influence which conditions in the country to the south have upon conditions in Canada, our showing is considerably the better.

At six o'clock the House took recess.

After Recess

The House resumed at eight o'clock.

Mr. MACKENZIE KING: Before the House took recess at six o'clock I was speaking in reference to a remark made by my right hon. friend (Mr. Meighen) to the effect—and I have the exact words this time—that while the United States was recovering, and steadily recovering, we in Canada were going back, and going back steadily; and he stated with reference to some of the figures which he had quoted that he would like to have the corresponding figures produced for the United States. Fortunately I have with me the figures that I think correspond, so far as the United States is concerned, and I purpose this evening continuing to give further statistics illustrative of the truth of the remark which I was making, namely, that while there has been during the past year a slight falling off, in some directions in the industry and trade of this country, it has not been anything comparable to the falling off that has taken place in the United States; indeed if an opportunity were given to study the matter thoroughly, one would very probably find that in very considerable measure the slight falling off in employment in this country was directly attributable to the much larger slump in industry and trade which had taken place across the border during the same period of time. I pointed out that in gauging the industrial situation economists have always had particular regard to the basic industries, and that the iron and steel industry is usually regarded as the most significant. The figures that I gave the House indicated I think conclusively, how very considerable had been the falling off in the production of the basic industries of the United States during the period I mentioned, and in particular the falling off in the production of iron and steel. I should like to supplement the figures as to iron and steel by those of a table which is to be found in the Iron Age, a journal that relates more particularly to the iron and steel trade, and which contains official data on that industry. I should like, if the House will permit, to place these figures on the record as they appear in this table. These figures give the total production of pig iron for the

years 1920, 1921, 1922, 1923 and 1924. They show that during the year 1924 the total production of iron and steel in the United States was 31 million tons; the total production of the preceding year, 1923, was 40 million tons. In other words, in the year just concluded there was less production by 29 per cent of pig iron in the United States than in the year previous, and there was less production by 19 per cent than in the year 1920. The table is as follows:

Production of pig iron in the United States, 1920-24, as shown by the Iron Age. Official data of the iron and steel trade.

	1924	1923	1922	1921	1920
January	3,018,890	3,229,604	1,644,951	2,415,292	3,015,181
February	3,074,757	2,994,187	1,629,991	1,937,257	2,978,879
March	3,466,086	3,523,868	2,035,920	1,595,522	3,375,907
April	3,233,428	3,549,736	2,072,114	1,193,041	2,739,797
May	2,615,110	3,867,694	2,306,679	1,221,221	2,985,682
June	2,026,221	3,676,445	2,361,028	1,064,833	3,043,540
July	1,784,899	3,678,334	2,405,365	864,555	3,067,043
August	1,887,145	3,449,493	1,816,170	954,193	3,147,402
September	2,053,264	3,125,512	2,033,720	985,529	3,129,323
October	2,477,127	3,149,158	2,637,844	1,246,676	3,292,597
November	2,509,673	2,894,295	2,849,703	1,415,481	2,934,908
December	2,961,702	2,920,982	3,086,898	1,649,086	2,703,855

Mr. WHITE: What is the date of the publication?

Mr. MACKENZIE KING: It is for the month of January.

Mr. WHITE: But the date of the Iron Age in which that table appears?

Mr. MACKENZIE KING: Last month, but it relates to the last calendar year.

Mr. WHITE: The paper is published every week, and I should like to have the date.

Mr. MACKENZIE KING: I will have to get the date for my hon. friend. It is one of the first numbers of this year. So far as Canada is concerned there has been a falling off in the iron and steel industry this last year as compared with the previous year, but the total production of iron and steel in 1924 was considerably greater than in 1922. The falling off has been, perhaps, a little greater than in the United States, but that was to be expected having regard to the relative size of the steel interests and to the relative demand in the two countries for iron and steel products.

My right hon. friend sought to convey the impression that the employment situation was very much worse in Canada last year than in the United States. I have here some figures taken from the Federal Reserve Bulletin for the month of December which reduces to a scientific table, on the basis of an index number, the conditions of employment in the United States for the months of June, July, August, September, and October. I take these particular months just because they happen to have appeared in this number, and were the latest I was able to find at the time at which I was investigating this subject.

Month	Employment Index No. in the United States		Decrease
June	103	90	13
July	101	87	14
August	101	87	14
September	101	90	11
October	101	91	10
Average for 5 months	101	89	12

If we take the average for the five months, there was a decrease from the average of 101 as the employment index number for 1923, to 89 as the index number for 1924, or an average reduction of 12.

I have had corresponding figures for Canada prepared by the Bureau of Statistics with respect to the five months ending October, 1924. Instead of showing an average decrease in employment for the five months, of 12 as in the case of the index numbers in the United States, they show an average decrease over the same period in this country of 6.6 for the five months ending October, 1924, as compared with the corresponding months of 1923. I will give the figures by months:

	Employment Index No. in Canada		Decrease in Canada	Decrease in United States
Month	1923	1924		
June	93.5	88.4	5.1	13
July	93.6	87.7	5.9	14
August	93.5	86.2	7.3	14
September	93.0	84.5	8.5	11
October	91.8	85.7	6.1	10
	93.1	86.5	6.6	12

If we take the average for the five months in Canada, the average during 1923 was 93.1 and during 1924, 86.5, or an average decrease of 6.6 as against an average decrease of 12 in the United States covering the same period.

In other words the decrease in employment in the United States for the period mentioned was nearly twice as great as in Canada.

Regarding employment, the Federal Reserve Bulletin for December, 1924, at page 919, has the following editorial comment:

As compared with previous years the general index of employment is 10 per cent lower than it was a year ago, and about on a level with that of September, 1922. The iron and steel and automobile indices are about one-sixth less than in October, 1923, but correspond rather closely to the level of two years ago. Textiles, owing largely to the small volume of employment in the clothing industry, appear to be still below all months since 1921. No group index is as high as in October of last year, 1923. . . . Earnings, however, were 13.3 per cent less than a year ago, and as in the case of employment were about on the same level as two years ago. . . . Wage rate decreases averaged 9.5 per cent and affected 20,000 employees.

These are accurate statistics with respect to the depression in the United States, and I venture to say that anyone who compares them with corresponding data in this country will find that conditions in the United States were relatively very much worse than they have been here.

I have in my hand a statistical table which, with the permission of the House, I should like to have inserted in Hansard without being obliged to read the details. It gives by a series of index numbers the position of employment in the manufacturing and transportation industries of both Canada and the United States for nearly every month during 1923 and 1924.

Index numbers of employment in manufacturing and steam railway operation in Canada and the United States, based upon the average index numbers reported by employers in 1923 as 100.

	Manufacturing		Transportation	
	Canada	United States	Canada	United States
Jan. 1923	87.5	98	96.5	94.7
Feb.	95.2	100	93.5	94.7
Mar.	98.0	102	91.9	96.5
Apr.	95.9	102	92.3	98.2
May	101.4	102	93.7	100.9
June	104.7	102	100.4	102.6
July	104.8	100	103.3	104.4
Aug.	104.7	100	104.4	105.2
Sept.	104.2	100	104.4	103.5
Oct.	102.8	99	107.0	103.5
Nov.	102.1	99	107.6	100
Dec.	98.8	97	104.8	95.6
Jan. 1924	89.7	95	98.8	93.0
Feb.	95.1	97	95.5	93.0
Mar.	96.3	96	95.0	93.8
Apr.	96.9	95	95.5	95.6
May	98.2	91	97.0	95.6
June	99.0	88	101.4	94.7
July	98.2	85	101.3	94.7
Aug.	96.5	85	102.0	95.6
Sept.	94.6	87	99.3	95.8
Oct.	96.0	88	100.4	....

The significant feature of this table is that it shows that employment conditions are more rapidly approaching normal in Canada than in the United States. The monthly statistics of employment in Canada, are reported by employers in all industries other than agriculture to the general statistics branch of the Dominion Bureau of Statistics. In the United States monthly statistics of factory employment are compiled by the Bureau of Labour Statistics, while those of employment on railways are compiled by the Interstate Commerce Commission. The results are published in the Survey of Current Business, which is published by the United States Department of Commerce. The United States figures for railway employment used in the tables which I have quoted will be found on page 152, those relating to factory employment on page 156 of the November 1924 issue of this publication. In order to facilitate comparison the average employment for 1923 has been taken as 100 in each of the series considered. As I have said, it will be seen from the tables that the latest figures show that both manufacturing and transportation more nearly approach the 1923 level in Canada than in the United States. As regards manufacturing, the latest comparative figures for October are 96 in Canada as against 88 in the United States, whilst as regards transportation, the September figure for Canada was 99.3 as compared with 95.8 in the United States.

My right hon. friend spoke this afternoon of commercial failures and referred to Dun's report. I should like to direct the attention of the House to the difference in the impression left by the remarks of my right hon. friend this afternoon and that created by remarks which he has been making since last session and which have been retold throughout the country from month to month, up to the present time. If I am not mistaken, when he addressed a meeting in Stratford and meetings in several other cities and towns during the summer, the right hon. leader of the opposition created in the public mind the impression that the number of factories that closed was something like 2,000. Now, I do not wish to do my right hon. friend an injustice. If that was not the impression which he sought to convey I would be glad to have him say so. I venture to say there is not an hon. member who did not gather from his statement, when he said that two thousand factories had been closed that he meant factories, and that he was trying to lead the public to believe that such had been the disastrous effect of the changes made in the tariff at the last session of this parliament. When this afternoon he was questioned as to the list of factories closed which he said he had—for he told the public that he

had a list, but did not want to give away the names of the manufacturing concerns that had failed—he quoted as his authority Dun's reports on commercial failures, reports which include under the heading of failures all kinds of commercial, manufacturing and other failures.

Mr. MEIGHEN: I did not quote any except manufacturing failures as given by Dun's reports.

Mr. MACKENZIE KING: I am glad my right hon. friend has pointed that out, because it shows he has very much in his mind what I am coming to. He says he only quoted manufacturing failures from Dun's reports. But he never told anyone till he was questioned in the House this afternoon that it was Dun's reports of failures he was quoting. He spoke of two thousand factories having been closed. Now, every hon. member knows that when Dun's report refers to manufacturers' failures it does not refer to factories in the sense in which that term is generally understood by the people of this country. There are many little concerns employing four, five or half a dozen hands that start in business with borrowed capital and do not succeed, and they are put down in Dun's report as manufacturers' failures. Those are the concerns my right hon. friend included in his two thousand factories that had closed their doors. But my right hon. friend did not bring out another very important and salient point in connection with the figures he was quoting; he said that many of these failures were the result of changes in the tariff which were made last session.

Mr. MEIGHEN: Will the right hon. gentleman just quote what I said? My statement was a definite one.

Mr. MACKENZIE KING: I am trying to be fair to my right hon. friend.

Mr. MEIGHEN: He is not.

Mr. MACKENZIE KING: My right hon. friend might as well keep in mind that the impression created by words used is the important consideration. He may twist and squirm and manoeuvre, in conjuring with figures to make an impression, but if that impression is false or distorted he is giving a false idea of the situation, no matter what language or figures he uses.

Mr. MEIGHEN: Quote my words.

Mr. MACKENZIE KING: The words which my right hon. friend used throughout this country created the impression that some two thousand factories had been closed as a result of the tariff changes which were brought about through the introduction of the budget of last spring.

Mr. MEIGHEN: Quote my words.

Mr. MACKENZIE KING: I will quote some of my right hon. friend's words. I did not bring all his words here; he is quite well aware of that fact.

Mr. MEIGHEN: If any.

Mr. MACKENZIE KING: I think I can probably quote one or two for my right hon. friend. I have quotations here from a speech made by him at Stratford on August 20 of last year. He is reported as follows in the London Advertiser of August 21, 1924—possibly he will say he did not use the words:

King closed factories, put workmen on the streets by thousands, reduced output of industries, but has not reduced the price of a single implement.

Mr. MEIGHEN: Are those headings by the London Advertiser?

Mr. MACKENZIE KING: No, those are quotations from my right hon. friend's speech.

Mr. MEIGHEN: Take another paper.

Mr. MACKENZIE KING: I will take the Hansard reports of 1924, page 2114, of a speech made on May 15 by my right hon. friend in this chamber in the presence of many hon. members who are here to-day. What did he say then?

There is alarm, there is dismay; there is a stoppage of expansion; there is depression. . . . We are circumscribing the area of employment every day. The inevitable consequences are upon us. Capital alarmed, business harassed, production dislocated, agriculture unassisted, labour contracted, tens of thousands of our children exiled, the debt heavier, taxation multiplied, the budget juggled, these are the reapings of thirty months of this government, the cruel cost to date of its brief and inglorious career.

Then he went out into the country and at Stratford employed the language I have just quoted. The following appeared in the Toronto Globe of April 7, 1924, in the report of a speech delivered at Windsor just before the budget was introduced in this House:

Our factories are closing down, our industries are crippled, our people are leaving the land of their birth. How long will Canada allow this condition of affairs to continue?

In the London Free Press of August 22, the following report appears of a speech delivered by the leader of the opposition at Eugenia Falls on the preceding day.

The past has demonstrated that each tariff reduction means the closing of new industries, and the closing of industries means that thousands of other workmen must go to the United States to make a living.

The point I wish to make and which I think my right hon. friend will recognize as pertinent is that he has been using the terms "factories" and "industries" very freely all over the country, but while doing so he has carefully kept from the people the information that the figures which he said he had in his possession, which he stated were authoritative were quotations from Dun's reports of failures, and that he was speaking without regard to the way in which those particular statistics are made up. My right hon. friend, as I have said, was trying to create the impression that those failures were the result of the tariff changes made last session. That was the point of his attack. It was bad enough to describe as factories the many small establishments which had gone into bankruptcy according to Dun's reports, but it was infinitely worse for him to try to make it appear that the legislation introduced by the government last session changing the tariff had brought about such a condition. Moreover, and this is much to the point, my right hon. friend never mentioned that the number of failures, according to the report that he himself was quoting, was fewer last year than the year before, and fewer the year before than in the year again preceding.

Mr. MEIGHEN: They are getting fewer to-day, so there are fewer of them to fail.

Mr. MACKENZIE KING: Let me add, he also endeavoured to create the impression that the manufacturing failures in this country were much greater relatively than the failures in the United States. When trying to create that impression he did not read this paragraph from Dun's report:

Unlike the statistics for the United States, the Canadian returns for last year show reductions in both number and liabilities of commercial failures. The numerical decrease reached nearly 24 per cent, but the falling off in indebtedness was only 2 per cent. Numbering 2,474 and involving $64,000,000, the Canadian defaults compare with 3,247 for $65,000,000 in 1923, and with 3,695 for $78,000,000 in 1922. There were fewer defaults last year than in 1923 in manufacturing, trading and other commercial occupations. Geographical analysis of the Canadian statement shows that a smaller number of failures occurred in all of the ten provinces included in the record.

So, taking the total failures, not closing of factories, in this country, commercial, manufacturing, trading and others, as reported by Dun's—the small and large failures generally throughout the country in 1922—a year for which this government cannot be held responsible because the failures then were pretty largely the result of what had taken place in the years preceding—there was a total of 3,695 contrasted with 3,247 in 1923, contrasted again with 2,474 in 1924. Of the so-called manufacturing failures that my right hon. friend speaks of, according to Dun's there were 857 with liabilities of $39,000,000 in 1922—just a year after he had gone out of office and before this government had any chance to get under way with its policies. In the year following there were 792 failures with liabilities totalling $31,000,000; and this last year there were only 625 failures with total liabilities of $36,000,000. This shows conclusively, if statistics mean anything, that conditions so far as manufacturing is concerned have been steadily getting better since this government came into office, and according to Dun's report, which my right hon. friend brought into the House this afternoon to quote from as authoritative, were never better than they were last year.

R. G. Dun & Co. has a report on failures in the United States, and we find from it in contrast to conditions in Canada, that instead of getting better from the point of view of numbers of failures, conditions in the United States in the last two or three years have been growing worse. Here is the statement in the Dun report in that connection.

The third quarter of 1924 breaks the record with the heaviest volume of failure liabilities for that quarter in the history of the United States.

That helps to illustrate the condition of manufacturing in the United States in the last quarter of last year.

The month of March, 1924, holds the country's record for the largest volume of failure liabilities for any single month. The 1924 total of commercial failures was 20,615 in number and $514,225,000 in volume of failure liabilities. This is an increase over 1923 of not quite 2,000 in number and $4,000,000 in volume. Although 1921 and 1922 slightly exceed 1923-24 in number and volume of failures, the year 1924 easily holds the banner over the twenty-five years preceding. It exceeds by a fairly wide margin the combined totals for the years 1919 and 1920, and very largely exceeds the total of the panic of 1908.

This is Dun's record of failures in manufacturing, commercial and trading establishments in the United States. Now, may I add to that the record of bank failures in the United States? We have had one or two recent bank failures in Canada, but I do not recall any of record this last year. Here is the record so far as the United States is concerned:

There were 613 banking failures in 1924, the largest number of any year during the present generation. Liabilities of the 613 banking failures were $202,000,000, which has been exceeded only twice in twenty-five years. The table found on page 10 of Dun's Review for January 10, gives the number and liabilities of bank suspensions in the United States for the twenty-two-years, 1903 to 1924 inclusive.

I shall not ask permission to put that entire chart on the record, but I have quoted from it sufficient figures to show the contrast with Canada.

I have pointed out that Canadian failures have been growing less and less in each of the years 1922, 1923 and 1924; in the United States it has been the other way. In 1922 the bank failures numbered 277 with total liabilities of $77,000,000. In 1923 they numbered 578, with total liabilities of $203,000,000; in 1924 they numbered 613 with $202,000,000 of liabilities. I think, Mr. Speaker, that shows pretty conclusively, quoting from the source from which my hon. friend says he has been deriving his information, that so far as conditions in the two countries are concerned we in Canada are infinitely better off industrially and financially than our friends across the border.

The only remark my right hon. friend made this afternoon that was at all appreciative was one which he could hardly avoid making, namely, that made respecting the balance of trade in Canada having exceeded something over $260,000,000. That was one feature in the Speech from the Throne which my right hon. friend commented on favourably. He said, we ought to have something like a favourable balance of $300,000,000 odd in order to be on a sound basis. Well, I wonder where the country was when he was in power, because the balance of trade was altogether unfavourable at that time.

Mr. MEIGHEN: No, not at all.

Mr. MACKENZIE KING: In 1921?

Mr. MEIGHEN: One year of it.

Mr. MACKENZIE KING: Yes, one year—the year that closed when my right hon. friend went out of office, the year he had the handling of the country's affairs.

Mr. MEIGHEN: What about the other years?

Mr. MACKENZIE KING: That was the only year that my right hon. friend was at the head of affairs. From that time to the present, ever since this government, as he calls it, has been in power, the favourable balance of trade has been increasing by leaps and bounds. Not only has that favourable balance been increasing year by year, but, in comparison with the United States again—my right hon. friend has been comparing the conditions in the two countries—the balance of trade has been favourably increasing in Canada while in the United States instead of increasing, it has been steadily decreasing since 1921, excepting during 1924, when, due to some large loans made by the United States to European countries in 1924, there was a tendency toward an increase in her export balance passing out in goods. I would like to give the House the figures to verify what I have just been saying in that regard:

United States Foreign Trade—Calendar Years

	Imports	Exports	Favourable Balance of Trade
1921..	$2,509,147,000	$4,485,131,000	$1,975,984,000
1922	3,112,747,000	3,831,777,000	719,030,000
1923..	3,791,938,000	4,167,946,000	376,008,000
1924 (11 mos.). .	3,277,023,000	4,145,324,000	868,301,000

So far as Canada's position is concerned, I regret that I have not the figures here, but they will be found in the financial records and they will show that in the year my right hon. friend was in office there was an unfavourable balance of trade. The next year there was a favourable balance, in the year following a very considerable increase, and last year the favourable balance was so much in excess of that of former years that the total ran to over $262,000,000.

The point that I wish to bring out is this: In the latest period the United States favourable trade balance represented about $8 per head of their population, while the Canadian balance represented about $28 per capita of our population. That, I think, answers pretty conclusively the relative position of the two countries judged at all events by the gauge which protectionist propagandists seem to regard as the one by which the prosperity of a country should most accurately be measured.

My right hon. friend said: Yes, exports are all very well provided they are the right kind of exports. He did not go very fully into what he meant by that. He seemed to endeavour to create the impression that in some way or other it was not a good thing to export any raw material, that the resources of our country were distinctly limited, and for that reason we should be careful about exporting any raw material. When one considers that half of our arable land has not yet been occupied that its estimated total is 300,000,000 acres, not the half of which has been taken up and of the half taken up that not one half of that has yet been improved, I do not think we need have very much alarm about what we do in the way of exporting raw materials that may be raised as the products of the soil.

So far as the timber of this country is concerned it is difficult to form an estimate of its total amount. It is estimated by the Bureau of Statistics that the total forest area of Canada comprises 1,200,000 square miles of which about 40 per cent is covered with mer-

chantable timber. We have reserves in this country which are unsurpassed by any country in the world, except possibly Russia and Siberia, and with our modern methods of forest conservation, reforesting and the like, I do not think Canada will be running any very great risk in parting with some of her raw material in that particular. Some of it we undoubtedly shall have to part with in order to get the country properly settled, because many forests will have to be cleared before the lands on which they stand will admit of colonization and of settlement.

As to our minerals, there is not a man living that knows the mineral wealth of this country. All we do know is that Canada is a highly mineralized country; has tremendous areas indubitably highly mineralized and the possibilities of which have been no more than scratched. The amount of our mineral wealth surpasses possibly the imagination of the soundest statistician. Our coal reserves in the western field alone represent a very considerable fraction of the total coal deposits of the world. It is estimated that 16 per cent of the world's known reserve of bituminous, sub-bituminous and lignite coal is to be found in the four western provinces of Canada.

So far as gold is concerned, at the present moment we have one mine which alone is at present turning out the second largest gold production in the whole world, and is the centre of a great mining district which at the beginning of this century was unknown.

If we stop to consider mineral exports, we need not fear that we are parting with the nation's inheritance. Our development is pretty sure to be along lines that will help us to discover untold fields of wealth hitherto unknown.

Coming to the fisheries, I think we are all pretty well aware, that no fisheries in the world surpass in size, variety and excellence of product those surrounding our shores, those in our Great Lakes and in our rivers; here again I do not think Canada is going to suffer materially through parting with a certain amount of the raw material arising out of a development of her natural resources, not at least, until her population becomes vastly larger than it is at the present time.

My right hon. friend's point, as I gather from his remarks not merely to-day but on previous occasions, is that it is a very bad thing to be parting with natural resources in the form of raw material though all right to do so in the form of manufactures. That is the point I think he was seeking to make, but what he appears to have missed seeing and what is very pertinent to his view is that, since this government, as he calls it, has been in power, not only have exports of our raw materials been increasing, but the exports of partially manufactured goods have also been increasing, and also the export of fully or chiefly manufactured goods. More than that, the increase in manufactured goods has been relatively considerably greater than the increase in raw materials.

Mr. MEIGHEN: Is the Prime Minister selecting one year and always comparing with that?

Mr. MACKENZIE KING: No, the Prime Minister is not like the leader of the opposition; he does not pick and choose just to serve his purpose.

Mr. MEIGHEN: What year is he comparing with?

Mr. MACKENZIE KING: He is taking all the years one after the other.

Mr. MEIGHEN: Then what he states is not correct.

Mr. MACKENZIE KING: I will give my right hon. friend the figures. I will read them to the House:

Exports of Canadian Produce by Degree of Manufacture for Fiscal Years Ended 1914, 1921-24

	Value	Per cent
1914		
Raw materials..	272,593,581	63.16
Partly manufactured..	43,660,533	10.12
Fully or chiefly manufactured.	115,334,325	26.72
Total..	431,588,439	100.00
1921	Value	Per cent
Raw materials..	524,075,762	44.07
Partly manufactured..	193,641,676	16.20
Fully or chiefly manufactured.	471,446,263	39.73
Total..	1,189,163,701	100.00
1922		
Raw materials..	329,370,942	44.49
Partly manufactured..	107,227,564	14.49
Fully or chiefly manufactured.	303,642,174	41.02
Total..	740,240,680	100.00
1923		
Raw materials..	416,278,028	44.69
Partly manufactured..	150,957,734	16.21
Fully or chiefly manufactured.	364,215,681	39.10
Total..	931,451,443	100.00
1924		
Raw materials..	453,521,750	43.39
Partly manufactured..	175,974,117	16.83
Fully or chiefly manufactured.	415,855,189	39.78
Total..	1,045,351,056	100.00

I should draw the attention of the House to the fact that the year 1921 was still a part of the period in which the volume of our exports had been considerably increased due to the war and the effects of the war, and therefore it was natural to expect there would be a larger export in that particular year.

Hon. gentlemen will notice this significant fact, that the raw materials we exported this last year represented 43.39 per cent of the total exports, as against 44.69 per cent in 1923, 44.49 in 1922, 44.07 in 1921, and 63.16 in 1914. In other words, since this government has been in office there has been a material reduction in the amount of raw material exported as compared with the total exportation of the country.

Of partially manufactured goods we exported in 1914, 10.12 per cent of the whole; in 1921, 16.20 per cent of the whole; in 1922, 14.49 per cent of the whole; in 1923, 16.21 per cent of the whole, and in 1924, 16.83 per cent of the whole.

Let us now look at the figures for goods fully or chiefly manufactured, and I should like my right hon. friend to get their significance. In 1921, 39.73 per cent of the total export; in 1922, 41.02 per cent of the whole; in 1923, 39.10 per cent; and in 1924, 39.78 per cent; whereas the percentages of export of raw materials for the same years stood at 44.07, 44.49, 44.69 and this last year, the year of the budget of 1924, 43.39.

I should like to quote further figures of importation and exportation by way of showing that the excess in our imports of manufactured goods over our exports of manufactured goods has been steadily diminishing for the last three fiscal years, so that we now export nearly as great a value of fully or chiefly manufactured goods as we import. If the House will permit me, for the sake of accuracy, I shall read a statement which I have carefully prepared from the figures in my possession. It will be seen from this statement that the Canadian manufacturer who it is alleged has had a hard time in the last two or three years, has nevertheless been able to export his products in increasing quantities to other countries where he receives no protection.

The exports of Canada are classified into raw materials, partly manufactured goods, fully or chiefly manufactured goods.

Now, our exports of fully or chiefly manufactured goods, which amounted to $303,000,000 in the fiscal year ended 1922, before any tariff changes were made, rose to $364,000,000 in the fiscal year ended 1923 and to $415,000,000 in the fiscal year ended 1924—an increase of about 37 per cent in two years. Our exports of partly manufactured goods, which stood at $107,000,000 in the fiscal year 1922, advanced to $150,000,000 in the fiscal year 1923, and to $175,000,000 in the fiscal year 1924, an increase of 64 per cent in two years.

The position of our Canadian manufacturing industries, taken by and large, may be estimated in another way. By considering the relative values of manufactured goods imported and exported, we can form some idea as to the relation from year to year of our national production of manufactured goods to our national consumption of such commodities. Perhaps it is natural that so young a country as Canada should import a greater value of manufactured goods than it exports. The table I have compiled enables us to set off against each other the total imports and exports of manufactured commodities for various years, so as to show how far the nation's production of manufactured goods covers its consumption.

From this table it appears that the excess in the value of manufactured goods imported over manufactured goods exported, which was $264,786,191 in the fiscal year ended 1921, was only $120,485,841 in 1922, $59,377,908 in 1923 and $47,514,339 in 1924. Thus since the present government assumed power, the production of manufactured goods in Canada has been becoming more and more nearly equivalent to its consumption of such articles. If our manufacturers are not as prosperous as we should like to see them, it is mainly because of the restriction of the purchasing power of their chief customers, the farmers of Canada; and with the now visible return of agricultural prosperity the manufacturers will undoubtedly at no distant date reap their share of the gain arising out of the re-established purchasing power of the agricultural community.

Imports and Exports of all Manufactured Goods, 1921-24

Fiscal year ended	Imported	Exported	Excess of imports over exports
Mar. 31, 1921..	929,874,130	665,087,939	264,786,191
Mar. 31, 1922..	531,355,579	410,869,738	120,485,841
Mar. 31, 1923..	574,551,323	515,173,415	59,377,908
Mar. 31, 1924..	639,343,645	591,829,306	47,514,339

From this table it will be seen that since the present government assumed power the production of manufactured goods in Canada has been becoming more and more nearly equivalent to its consumption in such articles.

Mr. MEIGHEN: What about paper and pulp.

Mr. MACKENZIE KING: The diminution to which I refer is due to improved conditions.

Mr. MEIGHEN: My right hon. friend is mistaken.

Mr. MACKENZIE KING: The next topic to which my right hon. friend devoted his attention was the cost of living. There he

seemed to feel it was necessary and desirable to create the impression that the cost of living was greater to-day than in previous years; and he produced a chart, which he said he got from the Department of Labour, I think it was, showing the change in the cost of living by months from 1913 to 1923. It was extended, I believe to include 1924. My right hon. friend will tell me perhaps, if I have not got hold of the same chart. At any rate it was issued in a special report by the Department of Labour in January of this year. My right hon. friend stated that that chart showed a rise in the cost of living, during the past year. Perhaps my right hon. friend will loan me his chart, the one of which he himself made use.

Mr. MEIGHEN: Certainly.

Mr. MACKENZIE KING: Now that I hold in my hand my right hon. friend's chart he certainly will not be able to dispute what I am about to say. If he will look at this chart, he will see that in the year 1924 for the first time since the year 1918, the cost of living mark dropped below the 150 line. Will my right hon. friend dispute that?

Mr. MEIGHEN: That was just before the policy of the right hon. gentleman of last spring came into effect.

Mr. MACKENZIE KING: No, it was not just before. My right hon. friend is seriously astray in making that statement, it was just after as a matter of fact. The point I should like hon. members to observe is the method my right hon. friend adopts of quoting from public documents so as to serve his particular purpose at the moment.

Mr. MEIGHEN: The chart shows the figures just as I stated. The Prime Minister can give the whole of the chart if he wishes it.

Mr. MACKENZIE KING: I want my right hon. friend to tell the whole truth. If he had given the whole truth he would have made the statement to which I am now drawing the attention of the House, namely, that last year for the first time in seven years the cost of living living line dropped below 150, the average prices in 1913 being taken as equivalent to 100. There is no denying that fact. I will return the chart to my right hon. friend and he may verify my statement.

May I draw the attention of the House to this further fact: Everyone knows that the cost of living varies according to the seasons. One does not contrast the cost of living in the month of December with the cost in the months of June and July. In the first named month there is coal to be bought and additional clothing to be worn and additional food to be consumed. My right hon. friend, if he had been fair to the House and to the country would have taken from this report by corresponding months in the respective years figures dealing with the changes in the cost of living from 1913 to 1924. And what would he have found? He would have found that while for the month of December in the year 1913 the index number was 100 in December 1921 the index number was 156. In December 1922 it was 153. In December 1923 it was 154; and in December 1924 it was 152, the lowest it has been since the days when my right hon. friend was in office. It was 156 in December 1921 at the time this government came into office and his government went out. To-day it stands, according to the records of the Department of Labour, or rather it stood in December 1924 as 152, showing clearly that the cost of living has been going down steadily in this country during the intervening period.

Before I leave the subject I shall touch upon the index figures of the United States. If my right hon. friend were to carry his comparisons to that country, he would find that the figures show a relatively higher cost of living in the United States than we have in Canada, that is contrasting the principal cities in the adjoining republic with the principal cities in Canada, thus verifying further what I said a moment ago about the relatively better conditions in Canada. My right hon. friend quoted from some report, which he said was one of the government reports and therefore should be correct, a list of prices on which he based his remarks respecting the cost of living. Because these prices showed an increase on the whole, he said the cost of living had gone up. There are two points which I would like to make in this connection. First, the cost of living estimate is not based on wholesale prices. It is based on retail prices. The second point is, it is based on the grouping of commodities in accordance with average quantities which the average family consumes. In making up cost of living schedules you do not put down to the consumption of the family equal amounts for grain, preserves, biscuits, boots and the like; but you take for the average family the quantities that would be consumed or used on the average. When my right hon. friend was dealing with figures on the cost of living he was quoting wholesale prices, indices based on some 200 commodities not corresponding in selection or weighting to their importance to the consumer. The wholesale prices, on this basis, on the whole show a slight increase. But, as my right hon. friend knows—and no one

knows better than the hon. members of the Progressive party—fortunately for this country the prices of agricultural produce have gone up within the last year. Fortunately in the level of prices, so far as the products of the industry of agriculture are concerned, we approach now a level of comparison more nearly in accord, by comparison, with the level existing in relation to manufacturing prices prior to the war. The position of agriculture towards manufacturing in this regard has been considerably improved. It is due to the fact that prices of agricultural products have increased as they have that there has been on the whole this larger increase in wholesale prices. Grains, fruit, vegetables and their products in 1923, as compared with the figures of 1913, average wholesale prices for that year being taken as 100, came to 144.2 in 1923, and rose to 153.8 in 1924. All the other groups of commodities were on a lower index number:

Cost of Living 1923-4. Average Wholesale Prices of 1913 = 100

	1923	1924
Grains, Fruit, Vegetables and their products	144.2	153.8
Animals and their products	134.1	129.4
Fibres, textiles and textile products	200.9	202.5
Wood, wood products and paper	176.8	165.8
Iron and its products	168.0	161.0
Non-ferrous metals and their products	96.8	96.3
Non-metallic minerals and their products	183.8	183.4
Chemicals and allied products	164.8	161.8
Total	153.0	155.2

The official index number of wholesale prices, 236 commodities rose from 153 in 1923 to 155.2 in 1924, but it should be noted that this rise was chiefly due to higher grain prices. The index number of six out of eight main groups declined. The rise in the textile group was due to the world-wide increase in wool prices.

What I wish to draw to the attention of the House is that while this is the showing of a schedule with respect to wholesale prices, when it comes to fixing the cost of living by the prices that determine the cost of living, namely retail prices, one finds that the cost of living has substantially decreased in this country during the last three years. I wish to give the House the particulars based on the retail prices, which are the prices to be considered in that connection. These facts and figures have been supplied officially by the Internal Trade Branch of our Bureau of Statistics. The cost of living in Canada, as reflected by retail prices of staple articles of domestic consumption, has been fairly steady for the last three years with a tendency towards lower levels. The average cost of a weekly food budget for a family of five from 1921 to 1924 was as follows:

1921	$12.10
1922	10.39
1923	10.52
1924	10.31

The average cost of a similar budget including food, fuel and light, and rent was as follows:

1921	$22.71
1922	20.88
1923	21.07
1924	20.80

The records show that the Dominion average retail price of the following foods declined from April to May 1924: Salt pork, bacon, biscuits, raspberry jam and canned peaches. The influence of reductions in the sales tax may also be traced in the official wholesale price records. Examples are: Biscuits, linseed oil, white lead, turpentine, black iron sheets, galvanized sheets, some lines of boots, binder twine, agricultural implements, etc. The result of tariff reductions on boots and shoes, cotton and woollen goods is difficult to trace. A number of influences have been affecting the prices of these commodities and it is difficult to isolate the result of any one of them. Index numbers of wholesale prices of boots based upon the year 1913 as 100 may be of interest.

	1921	1922	1923	1924
Boots (4 lines)	165.5	146.4	141.9	133.2

As to prices of agricultural implements, a representative list of agricultural implements, consisting of plough drill, hay rake, binder, mower, drag harrow, disc harrow, wagon, and sleigh sold in Ontario for $953.50 before the 1924 budget and afterwards for $905.50. A slightly larger list sold in the Regina territory before the budget for $1,358 and afterwards for $1,291.

I will not take up further time quoting from comparative statistics as between the United States and Canada, but I think it would be of advantage to members of the House and of advantage to the country to have placed on the record comparative tables of the cost of food in a Canadian budget in Canadian cities contrasted with the cost of a similar food budget in the United States in certain of their cities. This table has been prepared at my request by the Internal Trade Branch of the Bureau of Statistics. I have asked to be supplied with a comparative statement showing the difference in the cost of commodities in daily use in the principal cities of Canada and the United States, and with the permission of the House I will insert these tables on the record:

DOMINION BUREAU OF STATISTICS—INTERNAL TRADE BRANCH

Cost of a Food Budget Comprising specified articles and quantities mentioned in Certain Cities in Canada in July 1924

Commodities	Quantity	Montreal	Toronto	Windsor	Winnipeg	Vancouver	Canada
Sirloin steak	1 pound	31.5	32.8	29.6	29.8	33.6	29.7
Round steak	1 "	26.3	24.3	22.6	20.6	24.6	24.1
Rib roast	2 "	53.0	48.6	42.2	41.2	44.2	44.2
Chuck roast	2 "	26.6	29.2	30.4	24.0	26.0	31.2
Bacon, sliced	1 "	30.8	33.9	32.5	33.7	42.4	35.7
Salmon	½ "	8.5	8.5	9.2	9.0	8.1	8.1
Milk, fresh	6 quarts	72.0	70.8	78.0	72.0	66.6	71.4
Butter	3 pounds	117.0	118.2	114.0	118.5	126.9	117.9
Cheese	2 "	56.4	57.8	52.2	58.2	46.4	56.8
Lard	2 "	40.2	39.8	38.8	37.4	38.6	41.2
Eggs, fresh	1 dozen	39.5	36.8	33.0	30.9	33.8	31.8
Bread	15 pounds	102.8	100.5	100.5	90.0	95.3	100.5
Flour	10 "	45.0	41.0	38.0	43.0	43.0	43.0
Rolled Oats	5 "	25.5	26.0	24.5	26.0	27.0	27.0
Rice	2 "	20.6	20.0	22.4	22.0	17.2	20.8
Potatoes	2 pecks	65.3	71.7	76.1	66.0	66.7	64.0
Onions	1 pound	7.8	7.7	9.7	6.9	5.5	8.3
Corn, canned	⅓ "	5.7	5.4	5.4	6.4	5.9	6.0
Peas, canned	1/5 "	3.5	3.2	3.3	3.8	3.6	3.7
Sugar, granulated	4 "	37.6	37.2	38.0	42.0	38.4	40.8
Tea	½ "	35.5	33.8	34.4	34.8	34.0	34.7
Coffee	¼ "	13.7	14.0	12.8	12.2	13.3	13.6
Prunes	1 "	14.9	14.5	16.6	15.2	14.5	15.9
Total cost		$8.80	$8.76	$8.64	$8.44	$8.56	$8.70

DOMINION BUREAU OF STATISTICS—INTERNAL TRADE BRANCH

Cost of a Food Budget comprising specified articles in the quantities mentioned in Certain Cities in the United States in July 1924

Commodities	Quantity	Boston	Buffalo	Chicago	Detroit	Minneapolis	Seattle	U.S.A.
Sirloin steak	1 pound	64.9	40.3	41.9	40.1	33.9	32.0	40.7
Round steak	1 "	52.6	33.5	32.7	32.4	30.2	27.0	34.6
Rib roast	2 "	78.0	58.0	63.6	56.8	53.2	51.4	58.2
Chuck roast	2 "	50.0	43.6	41.8	41.6	41.8	33.6	42.0
Bacon, sliced	1 "	36.5	30.0	41.0	35.1	38.3	44.4	36.4
Salmon	½ "	7.4	6.8	8.1	7.4	9.4	7.6	7.8
Milk, fresh	6 quarts	80.4	72.0	84.0	84.0	60.0	69.0	81.0
Butter	3 pounds	154.2	148.5	142.2	147.6	134.4	141.0	148.5
Cheese	2 "	71.4	68.8	77.0	70.4	62.2	69.4	68.8
Lard	2 "	34.6	31.8	35.2	35.2	33.4	35.6	34.2
Eggs, fresh	1 dozen	56.3	38.2	39.7	38.2	31.4	39.2	39.4
Bread	15 pounds	127.5	126.0	145.5	132.0	133.5	147.0	130.5
Flour	10 "	55.0	45.0	44.0	44.0	49.0	45.0	48.0
Rolled Oats	5 "	45.0	37.5	42.5	45.0	40.5	44.5	44.0
Rice	2 "	22.6	19.2	21.2	19.4	19.4	23.6	20.0
Potatoes	2 pecks	108.0	93.0	108.0	84.0	96.0	123.0	99.0
Onions	1 pound	8.4	7.3	7.1	6.8	7.4	5.0	6.9
Corn, canned	⅓ "	6.3	5.1	5.3	5.2	4.4	5.9	5.3
Peas, canned	1/5 "	4.3	3.3	3.6	3.5	3.3	4.0	3.6
Sugar, granulated	4 "	32.4	30.8	32.4	32.4	34.4	36.8	33.6
Tea	½ "	34.6	32.5	36.1	31.9	32.3	37.9	35.4
Coffee	¼ "	12.4	9.8	10.9	10.4	11.4	11.1	10.6
Prunes	1 "	17.4	16.4	19.2	17.9	17.8	14.3	17.4
Total cost		$11.60	$9.97	$10.83	$10.21	$9.79	$10.48	$10.46

These figures show—and I think it is important to have the fact generally known—that the cost of living is less for the great body of the people in this country than it is in the United States.

I have only one further reference to make to these statistical matters, and it relates to the agricultural implement industry. My right hon. friend said—and I think it was somewhat of a surprise to a good many members of the House this afternoon—that he had never contended that anything the government was doing or had done was going to be an injury to the agricultural implement industry. I think hon. members will agree that only five or six months ago that was the one industry which we were told we were ruining. I am sure that during the debate on

the budget last year everyone got the impression that the government was being attacked because it had singled out this particular industry for its tariff reductions. Now the leader of the opposition says, no, he never even thought we were doing an injury to the agricultural implement industry. I hope his words will go broadcast throughout the country. I hope that from one end of Canada to the other the agricultural implement workers and the heads of implement factories will understand that my right hon. friend and I are at least agreed on one fact, namely, that no injury has been done to any agricultural implement industry as a consequence of the budget introduced last year. But may I draw my right hon. friend's attention to this fact, that while we have not, as I think he has rightly said, done any injury to the agricultural implement industry, we have as a matter of fact reason to believe that we have helped that industry in some particulars. The statistics for the nine months ending December give the total importations of farm implements into Canada and the total exportations of a like class, and these statistics show that while we imported into Canada during the nine months ended December 1924, farm implements and machinery to the value of $5,208,041, the agricultural implement industry exported during the same period implements of a total value of $8,203,711. That is, $3,000,000 worth of farm implements more were exported from Canada than were imported into this country during the last nine months of last year, practically the period covered by the time which elapsed after the budget announcements were made public.

My right hon. friend said in a speech from which I quoted a moment ago that the government, while it had made changes in the budget, had not reduced the price of agricultural implements in any particular. The price of agricultural implements has been very substantially reduced. I have in my hand a statement issued by the Massey-Harris Company and given to the public on December 11. It appeared in most of our papers:

It is customary at this season for the Massey-Harris Company to determine the price of its farm implements for the coming year, and, in the general consideration of the subject at this particular juncture, the approach has been made with the aim, if at all possible, to establish even lower prices than those which prevailed during the past season, believing that it is in the best interests of both farmer and manufacturer to bring about a closer adjustment between the prices of the things which the farmer has to purchase and the prices which he receives for his product.

[Mr. Mackenzie King.]

Having these views uppermost in mind, we have decided to reduce the price of practically all of our implements, although we cannot feel that actual costs justify such a reduction in view of present manufacturing prospects. Many examples of price reductions could be enumerated, but the following will approximately indicate what has been done in the way of reduced prices: Binder reduced by $10, mower by $4.50, rake by $2, hay loader by $5, gasoline engine by $15.50, wagon by $5, and gang plough by $5.

The report winds up by stating:

On the whole, it looks as though a decided change for the better has come to agriculture, and that our farmers, east and west, can, with reasonable hope, look forward with greater confidence for prosperity in the outcome of their labours than they have been able to do for several years past.

Another important company manufacturing agricultural implements in Canada is the International Harvester Company. I have been able to obtain from that company a statement of the reductions they have made in their price lists. With the permission of the House, I will insert this table in Hansard, it is based on the price list schedules of the company itself. The statement is as follows:

Agricultural Implements—International Harvester Company—Price Reductions

	Jan. 1 1924.	Dec. 1 1924.	Reduction.
Binders, 6 ft. with sheaf carrier and tongue truck..	$289.00	$265.50	$23.50
Mower, heavy, 6 ft..	112.00	103.00	9.00
Rake, self-dump, 10 ft. ..	64.00	59.00	5.00
Drill, 14 disc, 3-horse attachment..	210.00	184.00	26.00
Disc Harrow, out-throw, 12-disc..	75.00	69.50	5.50
Spring Tooth Harrow, 16-Tooth..	21.50	20.00	1.50
Field Cultivators, 6 ft., 12-tooth, 3-horse..	103.00	93.50	9.50
Manure Spreaders			
Large 3-horse hitch	253.00		
Medium & No. 5, 3-horse		204.00	49.00
Ploughs			
Walking, 14-in.	36.00	32.50	3.50
Sulky, 14-in	91.00	88.00	3.00
Farm Wagon (McCormick-Deering) 3" x ½" tire.. ..	204.00	185.50	18.50

I have also a copy of an article which appeared in the newspaper of which the hon. member for North Waterloo (Mr. Euler) is editor, the Kitchener News-Record, and which gives the impressions of President C. W. Snider of the Waterloo Manufacturing Company with respect to the effect of the tariff changes on the important agricultural industry which he directs. In the issue of November 26, 1924, of that paper, the president of the Waterloo Manufacturing company in an interview says:

The tariff changes haven't hurt us at all, said Cranson W. Snider, President of the Waterloo Manufacturing Company, in discussing the effect which the changes in the tariff rates made by the Hon. J. A. Robb, Minister of Finance, in the last federal budget brought down last spring, had on the local business. The duty on harvesting machinery was reduced from 15 per cent to 10 per cent in the last budget, but

despite this reduced tariff Canadian manufacturers are able to compete successfully with the United States manufacturers owing to the fact that the duty was at the same time removed from the raw material entering into the manufacture of the machines made at the local plant.

With the duty off our raw material we can manufacture our machines so much cheaper that we can undersell our American competitors without much difficulty.

Some hon. MEMBERS: Hear, hear.

Mr. MACKENZIE KING: Some hon. gentlemen seem to think that it is a misfortune to improve in any way the conditions of the farmers by making implements of production available at lower costs.

"With the duty off our raw material we can manufacture our machines so much cheaper that we can undersell our American competitors without much difficulty," said the president of the local plant.

Mr. McMASTER: What was the paper?

Mr. MACKENZIE KING: The Kitchener News-Record which, as I have already mentioned, has the distinction of being edited by the hon. member for North Waterloo.

In other parts of the country, the press records similar statements. The Smiths Falls News-Record of December 30, 1924, contains the report of impressions gathered from an interview with Mr. J. E. Ruby, General Manager of the Frost & Wood Company:

Mr. J. E. Ruby, general manager of the Frost & Wood Company, arrived home last Wednesday from a three months business trip to Europe during which he visited the British Isles and the principal European countries and North Africa. . . .

Mr. Ruby was successful in obtaining some excellent orders for Frost & Wood Company machines, and it will be cheerful news to the people of the town that the present force of 175 men employed will be increased as rapidly as production can be got under way, up to 300 or 350. The orders in hand will keep the plant busy for the next four months and by that time it is hoped the Canadian trade will be sufficient to keep running full time for the balance of the season.

In addition to the reduction in the price of farm implements announced last April, further reductions became effective on December 1, and it is hoped that these lower prices to Canadian farmers will stimulate the placing of orders held back by the higher prices which have prevailed during the past few years. . . .

Referring to industry generally, but more particularly to the implement industry, I notice a despatch to the Globe appearing on the front page of the November 20 issue and headed:

Factory whistles blow at night. Industries take on more men.

—there is the following announcement:

Woodstock, Nov. 19.—The sound of factory whistles blowing at night, indicating that industries are working overtime, is welcome to the people of Woodstock. The Bain Wagon Co., the Canada Furniture Mfg. Co. and the Bickle Fire Engines, Limited, are now working extra hours, and two other industries have had to engage additional employees during the past few days. These are the Eureka Planter Co. and the Woodstock Wagon Co.

It is highly desirable, in view of some of the reports that have been circulated during the last few months, that the people of our country should have a clearer appreciation of just what the effect upon industry has been of the changes which were made at the last session of parliament.

Mr. SUTHERLAND: Do the reductions which the Prime Minister has placed upon Hansard include the reduction in the sales tax, or are they attributable entirely to the reductions in the tariff?

Mr. MACKENZIE KING: In a word, they are due to the reductions in taxation which this government made last session.

Mr. SUTHERLAND: And put on the session before.

Mr. MACKENZIE KING: My hon. friend is wrong there.

Mr. SUTHERLAND: Very largely put on the session before.

Mr. MACKENZIE KING: No. I may say that the reduction in the sales tax had an effect, and certainly the reduction in the duties had an effect.

There is one important news item that I think my hon. friend will be particularly interested in hearing, and that is that, for the first time apparently for some years past, the Massey-Harris Company, which is, as he knows, a very important agricultural implement manufacturing concern, had a profit. We were told that we were ruining these industries. I will quote from the Mail and Empire which my hon. friend will probably credit as authoritative, this statement, the issue of January 31:

Massey Harris Company's net profits $87,710. Believed agricultural implement business is now on upward trend.

That is the heading to the report of the president of that company. The article goes on to state:

Mr. Vincent Massey, the president, in his report to the shareholders, says that the net profit, after making adequate provision for depreciation and possible losses, although small,—$87,711—is significant in the light of the previous losses amounting to $1,456,000 in 1921, $643,000 in 1922, and $409,578 in 1923 (after eliminating the profit realised from the sale of timber lands, which formed a part of the income in that year). The improvement, therefore, in operating earnings over those of a year ago is $497,288.

In other words, the report of the Massey-Harris concern shows that each year since this government took office, as my right hon.

friend says, that important concern has been getting a little better off, until at last, it has actually been enabled to pay a profit instead of suffering further loss.

Mr. MEIGHEN: He might follow up with the steel and fertilizer industries.

Mr. MACKENZIE KING: I have already spoken of the steel industry. I will leave my right hon. friend to talk about fertilizer.

Let me correct another erroneous impression fostered by the remarks of my right hon. friend this afternoon. Last year he and his followers of the opposition sought to create an impression throughout the country that the reason the government's budget, as respects the surplus shown, was so satisfactory was because of an alteration in the bookkeeping methods of the Department of Finance, namely—the elimination entirely by the administration of items which the government of my right hon. friend had charged up against the public debt of this country. Now, I have in my hand the public accounts for the fiscal year ending March 31, 1924, and I should like my right hon. friend and his followers to look carefully at page 3, where there appears a statement signed by the auditors appointed to audit the accounts. It reads as follows:

> We have examined the balance sheet of the Dominion of Canada as at March 31, 1924, and we certify that the balance sheet conforms to the balance sheets of previous years in not including in the net debt of the Dominion issues of the Canadian National Railway Company and companies included in its system which carry the guarantee of the Dominion of Canada. Such guaranteed issues are shown year by year as indirect liabilities.
>
> George Edwards,
> of the firm of Edwards, Morgan & Co.
> W. Garth Thomson,
> of the firm of Peat, Marwick, Mitchell & Co.
> Dated, Ottawa, Canada, January 27, 1925.

The auditors, I need scarcely say, are chartered accountants having no connection whatever with departmental work, but brought in from the outside as independent auditors to go through the books of the government with a view of making an accurate statement of the situation.

Now, Mr. Speaker, I should like to have said a word or two more on evidences of prosperity, as I think after the dismal picture which my right hon. friend has been endeavouring to paint in this House and throughout the country during the past year, it is due to the people that the other and the truer side should be brought to their attention, but I will content myself by quoting from the annual statements made by one or two of the presidents of our great chartered banks. Possibly no more conservative men are to be found in the country than the heads of these banking corporations, and in making their annual statements these gentlemen are, I think, inclined to be very guarded in the language they use. Sir Herbert Holt, President of the Royal Bank, said on January 8, 1925:

> I have never been more optimistic in regard to the possibilities of this country than I am to-day. We have been held back by agricultural depression since 1920, but this should disappear as normal conditions are returned throughout the world. . . . I feel sure that great prosperity is ahead of the United States in the next ten years, and that we shall find in that country a market not only for larger amounts of lumber and paper, but for increasing quantities of foodstuffs as well.

Sir John Aird, President of the Canadian Bank of Commerce, said on January 12, 1925:

> Commercial failures have decreased, there is a slight reawakening of immigration, and the outlook for the lumber business seems to have distinctly improved. A good crop has been harvested for which high prices prevail, and the maladjustment of the farmers' position has thus been largely corrected.

Sir Vincent Meredith, President of the Bank of Montreal, on December 1, 1924, said:

> I am satisfied that a gradual improvement in the trade situation is occurring. Statistical returns support this view, and while there is a regularity in the movement in the main the trend is upward. There has been a better demand for steel in various forms, especially from railroads; textiles trades are gradually recovering from the slump, and dealings in hides and leather have broadened.

Mr. R. S. White, Editor-in-Chief of the Montreal Gazette,—I do not know whether my right hon. friend regards this paper as his organ or not, but its financial review of the year he will accept, at any rate, as accurate I suppose—in the issue of January 9, 1925, has the following:

> Canadian bond sales amounted to $562,000,000 in 1924, $42,500,000 more than in the previous year, and of this amount the Canadian people took no less than $346,000,000, the remainder having been placed in the United States. It is true that some of these sales were for purpose of conversion and did not involve new money, but a country cannot be called poor whose people increase savings deposits in banks by nearly $50,000,000, and purchase three and a half hundred millions of new bonds in a single year.

Mr. Speaker, may I say in conclusion that I think this House and the country had a right to expect from the right hon. leader of the opposition something more than mere criticism and denunciation of the administration. I think I have shown pretty conclusively that when the statistics on which his criticism was founded are examined carefully and the truth made known the situation is not at all that which he had depicted it to be. However, apart from that, I think we were entitled to have something of a constructive character from my right hon. friend. I think he owes

it to the country to tell us wherein, if in office, he would improve the situation. I notice that he has in the name of his party given out a manifesto,—I referred to it a little earlier to-day,—as to changes in the tariff which he thinks are all-important. I do not know just what his reason was for issuing that manifesto at this particular time. Probably recalling the majority of 121 registered against his party's amendment last year, he felt it would save him the necessity of moving any amendment in his speech on the Address this afternoon, seeing the subject is on the order paper and therefore cannot be dealt with in that way.

Mr. MEIGHEN: I have not issued any manifesto. I give notice of a resolution on the order paper.

Mr. MACKENZIE KING: I am sorry, I was judging by the way in which the notice appeared. The subject matter I refer to appeared in the evening press the day before parliament opened and the day before the order paper was printed. What I saw in the order paper was a reprint. I apologize if I have spoken wrongfully of it as a "manifesto"; it did seem to me that the manner in which it was issued and its length gave it more or less that complexion, in fact, I think it was so referred to by his own press. However, all that my right hon. friend suggests, in the light of the criticism he has made this afternoon is that the national situation is to be improved by increased taxation. He calls it protection, meaning thereby increased tariff, but I hope this House and the country will not forget that a tariff is a tax, no matter by what other name one may seek to describe it and that higher tariffs mean increased taxation. My right hon. friend contends, as nearly as I can gather, that what should now be done to help meet the condition under which the country is labouring as a result of the heavy legacies of debt to which it has fallen heir in recent years, is to increase taxation, and increase it all around. Apparently he not only wishes to increase the protection afforded to manufacturing industries—I think that is what he says should be done—but he suggests that agriculture should be protected in a similar manner. I am sure my agricultural friends will find a lot of consolation in that thought, particularly, when they realize that their commodities are sold in world markets where prices are determined regardless, for the most part, of conditions in any particular country. Then he suggests that certain industries—the coal industry, I think—should be further protected. I do not think he mentions other branches of mining or lumbering, and he does not mention the fishing industry. I do not know whether he intends to leave that out; perhaps he will tell us when he comes to the discussion.

Mr. MEIGHEN: He did mention that.

Mr. MACKENZIE KING: Well, I apologize; he did mention it, my right hon. friend in mentioning these particular industries clearly has in mind the protection of special interests. The fault I find in his programme is that there is an absence—at least, I am unable to discover the presence—of any concern for the one class to which every man, woman and child in this country belongs, namely, the consuming public.

Mr. BOYS: Are workers not consumers?

Mr. MACKENZIE KING: Workers are consumers, yes, when in the capacity of consumers, but in that capacity protection is of no service to them, it is a detriment. My right hon. friend said this afternoon that he was unable to discover the necessity in the Address for any mention of the cost of living. It was natural he should make that remark. Clearly in what he has expressed he has not had in mind the great body of the consuming public in this country. If he is not exclusively concerned with these special interests, why does he not take some steps to protect the professional classes? My hon. friend (Mr. Boys) belongs to the professional class—

Mr. BOYS: They do not need it.

Mr. MACKENZIE KING: Well, my hon. friend is very fortunate. I think in that respect he differs from most members of the professional class.

Mr. BOYS: I do not think my right hon. friend needs it either, does he?

Mr. MACKENZIE KING: He needs it very much; I am sorry to have to say I cannot agree with my hon. friend. If protection is to be worthy of the name, it should have regard for the interests and well being of the great body of the people as a whole, not merely for the special interests. It should include protection of members of the professional classes—which include lawyers, doctors, teachers, preachers—also for those who make up the trading public; those engaged in wholesale and retail trade; for the great body of civil servants, throughout this country; clerks in shops, stores and offices and for the women and children who have to be provided with the necessaries of life, with food and clothing, in a word it should have equal regard for all classes of the community. It is for that reason that the government takes the position

that the cost of living is the most important of all the questions which this country has to face at this time. It is a question that cannot be met simply by tariff changes here and there, no matter how considerable they may be. The problem before Canada to-day is how for a population of between nine and ten millions of people the cost of living is to be decreased—how it is going to be possible to reduce taxation from its present large proportions owing to expenditures incurred during the period of war and of railway obligations which have been so considerable during the last couple of years. The only remedy that my right hon. friend has to propose is to increase the tariff, in other words, increase taxation here and there to help special interests. We say the situation cannot be improved in that way. We say that the only way to improve it is, first of all by strict economy on the part of the administration, and, secondly, by the government adopting policies which will increase production in this country in the quickest and most effective manner possible.

It is in regard to the policy of increased production that the government has come forward with a constructive programme which, if given an opportunity to be worked out, will help to meet the situation. Part of that programme was outlined in the Speech from the Throne last year and was given expression to in this House in the changes that were made in the tariff at the last session. A further stage in that programme is announced in the Speech from the Throne this year. The two are parts of the one constructive programme which the administration is placing before the country as a means of help to solve its great industrial, financial and social problems. In a word, that programme is, having regard to Canada's vast resources, to increase production by the only possible effective means. As I intimated a moment ago, we have untold natural resources, whether they be of the soil, the mine, the forest or the fisheries. We have as well great water-powers; we have all that is needed to enable us to be a strong, a great and a prosperous people, a people for the most for whom there should be every necessary comfort and every opportunity. But to develop the natural resources labour and capital are essential, and markets in which to dispose of the commodities which are produced by the application of the people's capital and labour to the natural wealth of which we have such an abundance.

We have taken steps to improve the labour situation as regards the development of the natural resources by strengthening our immigration programme. As I said this afternoon, there are reasons why immigration has not been developed as fast as many of us would like to have seen, but those reasons will not obtain as much in the future as they have in the past. We must keep in mind that Europe and the British Isles do not serve as recruiting grounds for immigrants, as they did prior to the war. It is not possible to bring immigrants from the Old Land in the numbers in which they were readily brought before the war. In addition to that, we have learned from the experience of other countries that it is inadvisable to bring in immigrants without a careful process of selection; that it is much better to pay attention to quality than merely to seek to increase immigration so far as numbers are concerned. For this reason the government has taken steps to exercise care in the selection of immigrants. We have sought to bring as many as we can from the British Isles and from the northern parts of Europe. But the chance of getting people to emigrate to-day is not what it was a few years ago. In the old days the government was free to offer any number of homesteads, to offer to settlers inducements of many kinds. We cannot do that to-day as it could be done some years ago, and for that reason it is more difficult to get the labour into the country which is needed for the development of our resources. But the tide has set in, and now that agriculture is beginning to attain, as evidenced by the current prices of agricultural commodities, a position similar to that which it formerly held, we will expect to see a large immigration to Canada which will result in a distinct note of prosperity.

In regard to the implements of production which constitute the capital required for the development of our resources we have as I have shown tonight, through our legislation of last session, made the cost of these implements less to the settlers of the country. Whether engaged in agriculture, mining, lumbering or fishing this government has helped to make it possible for persons going into these industries to obtain the capital that is necssary for the carrying on of their activities at a lower cost than prevailed before. When the capital requirement is lessened, the cost of production is lessened, and it stands to reason that the whole industrial life of the country must as a consequence be materially prospered. All manufacturing is based on the cost of raw material. All manufacturing, no matter of what branch it may consist, depends on the

raw material supplied by one of the four great basic industries, agriculture, mining, lumbering or fishing. If the cost of raw material can be reduced in those industries, then every manufacturing concern in the Dominion will stand to gain, because when you reduce the cost of the raw material there can follow a lowering in the price of the commodity produced, and that without any loss in either profit or in wages. But this is even more important than it appears on the surface. In the building up of this country what is needed above all else is a great export trade. Now the price at which commodities can be sold in a foreign market depends upon world factors of competition. In this country we are trying to maintain a certain standard of labour, and we do not want that standard to be lowered. On the other hand, we have to go into a market and compete in foreign trade with other countries that have standards of labour lower than our own. If we can reduce the cost of raw materials entering into our manufactures, be the amount ever so little, it may be just sufficient to give our manufacturers a chance successfully to compete in that foreign market against the other countries of the world, and it is that foreign trade that we must go out to capture in every way we possibly can.

Now what has the government found in viewing the situation from that standpoint? The government has found with respect to foreign trade, that year by year, within the last few years, a great combine of shipping interests has been shaping up on the oceans of the world, a combine that seeks to control the entire ocean commerce of the world, a combine of shipping companies so closely knit and interlocked in its workings and operations that within certain limits it can fix pretty much at its own will the price at which commodities can be transported to any part of the world. This House will be favoured shortly with a report which I think it will find illuminating on the subject of this combine and its control of rates across the Atlantic. There are many circumstances that have been affecting the cost of production of late. Speak of the bringing of immigrants to this country! I have mentioned one or two difficulties, but they are not comparable to the difficulty that is encountered in the cost of transporting the immigrant from Europe across the Atlantic. A few years ago the immigrant from Europe could be brought to this country at a cost of from fifteen to twenty dollars a steerage passage; to-day something like seventy or eighty dollars is required for corresponding accommodation. These exactions we believe are largely due to the monopoly that shipping interests enjoy and which enable them to control rates across the north Atlantic ocean. That monopoly thwarts Canada's effort to increase its production in this one way but unfortunately that is not the only way in which the country is adversely affected. Our commodities have to search out the markets of the world, and what do we find? We find that the rates on the transportation of our export commodities have been going up steadily and steadily for years. They went up during the war; that was bad enough, but since the war they have been going up higher still, with the result that our agricultural industry is suffering the severest of handicaps while manufacturing industries of this country which a short time ago were shipping commodities to the Old Country find, many of them, that they cannot profitably ship commodities at the transportation rates prevailing to-day. As a government we have felt that if we are to work out in a constructive way this programme of the development of the natural resources and the basic industries of our country and of the manufacturing industries based thereon, if we are effectively to further manufacturing as well as agricultural development, we must seek to make freer the channels of trade by which the products of the farm, the mine, the forest, the fisheries and of our manufacturing establishments reach consumers in different parts of the world from the factories, the farms and other sources of supply where they may be produced. Hence we contemplated the step referred to in the Speech from the Throne which will be announced in detail to parliament in due course and which we hope will be a further factor in helping to solve our great national problems.

My right hon. friend in referring to this matter made a quotation, from Byron's Childe Harold I think it was. He referred to man's control stopping with the shore. Man's control may stop with the shore, but the control of government ought to go beyond the shore, and in this matter we intend to extend our control beyond the shore, if that is possible at all. We hope so far as our effort in this regard is concerned, that the Canadian government will not have to battle alone, but that it may look to the governments of all the other self-governing Dominions and to the government of the Mother Country itself to co-operate with us in fighting this great combination that exists on the

Atlantic, to the detriment not only of Canadian trade, but to the trade of Australia, South Africa, New Zealand, and all parts of the British Empire. We believe in developing trade within the empire, but we have reason to believe that this great combination has been thwarting the full development of inter-imperial trade and so far as our country is concerned has been discriminating against our Canadian ports. We believe it can be shown conclusively that there has been a real discrimination so far as Canada is concerned in the matter of transportation costs across the Atlantic.

As I have said, parliament will be presented shortly with a report dealing with this whole question of Atlantic trade, and the House will also be informed in due course more exactly and in particular of the steps the government is about to take in an effort to cope with the exactions of this powerful combine. The point I wish to make clear at the moment is this: The government's action in this regard is only part of a great constructive programme which has for its objective the development and increase of the wealth of this country, the bringing about of a freer distribution of commodities within the country, and the development of wider export markets as well. We believe the step that was taken last session has already in this short time fully justified itself, and we believe that the legislation which we are going to introduce during the present session if it receives the support of this parliament, will materially assist us to further the diversified industries of this country, agricultural, mining, fishing, lumbering and manufacturing, that it will help the whole industrial life of Canada, and by so helping our industrial life will improve the lot and the well-being of the men, women and children who inhabit this Dominion from one coast to the other.

Mr. ROBERT FORKE (Brandon): Mr. Speaker, I would crave the indulgence of the House. This is the first working day of the session, and I did not expect to be called upon to-night. I would move the adjournment of the debate.

Motion agreed to and debate adjourned.

BUSINESS OF THE HOUSE—NEXT WEDNESDAY SITTING

Right Hon. W. L. MACKENZIE KING (Prime Minister) moved:

That when this House adjourns on Tuesday the 10th instant, it stands adjourned until Wednesday at three o'clock in the afternoon.

[Mr. Mackenzie King.]

He said: This is just to ensure that the House will meet on Wednesday at three instead of at two o'clock.

Motion agreed to.

On motion of Mr. Mackenzie King the House adjourned at 9.50 p.m.

Tuesday, February 10, 1925

The House met at three o'clock.

REPORTS AND PAPERS

Report of the Department of Health for the fiscal year ended March 31, 1924.—Hon. Mr. Beland.

Copy of order in council No. P.C. 1876 setting out a regulation under The Proprietary and Patent Medicine Act.—Hon. Mr. Beland.

Annual report of the Department of Railways and Canals for the fiscal year ended March 31, 1924.—Hon. Mr. Graham.

Annual report of the Commissioner of Highways for the fiscal year ended March 31, 1924.—Hon. Mr. Graham.

Report of work done and expenditures made during calendar year 1924 in connection with Acts (Chapters 14 to 32 inclusive of 14-15 George V) respecting construction of Canadian National Railway lines.—Hon. Mr. Graham.

THE IRON AGE

On the Orders of the Day:

Right Hon. W. L. MACKENZIE KING (Prime Minister): The hon. member for London (Mr. White) asked me last night during the course of the debate on the Address to give the exact reference to the statement I quoted from the Iron Age with reference to the production of coke, anthracite and pig iron in the years 1920 to 1924 inclusive. I was sorry I had not the number of the Iron Age before me at the time. The reference will be found in the issue of January 8, at page 153.

THE GOVERNOR GENERAL'S SPEECH

ADDRESS IN REPLY

The House resumed from Monday, February 9, consideration of the motion of Sir Eugene Fiset for an Address to His Excellency the Governor General in reply to his Speech at the opening of the session.

Mr. ROBERT FORKE (Brandon): Mr. Speaker, we have had the Speech from the

Throne, and now it has been moved and seconded that an Address be presented to His Excellency the Governor General to offer the humble thanks of the King's dutiful and loyal subjects in parliament assembled for the gracious speech which His Excellency was pleased to address to both houses of parliament. This very pleasing fiction, the Speech from the Throne, has been put in the mouth of His Excellency the Governor General; as a matter of fact we know it is a pronouncement by the government.

I have much pleasure in tendering my compliments to the hon. members who moved and seconded the Address. Unfortunately I was unable to follow the remarks made by the mover (Sir Eugene Fiset) but judging from his past history and from the delivery of his speech I have no doubt that he will be a valuable acquisition to the debating power of this House. To the seconder (Mr. Hanna) I also extend my congratulations. He did the work that was allotted to him in a very creditable manner. I am sure that his entry into this House must have afforded the government a great deal of satisfaction, judging by the royal reception they gave him when he was introduced.

We have had two further speeches in the House on the Address, one delivered by the right hon. leader of the opposition (Mr. Meighen) one by the Prime Minister (Mr. Mackenzie King). In some respects it was a case of the story being told in a pessimistic way on the one hand and in an optimistic way on the other. It makes a great deal of difference sometimes on which side you happen to be, from which point of vantage you look at the situation. Judging from the remarks made by the leader of the opposition, things are in a bad way and the quicker we realize this the better. I am sure he ably presented that side of the case. Then the Prime Minister made his address, and he took the view that after all we were in a happy condition; that without question Canada is a land of hope and glory; that compared with the United States we are living in a very fortunate condition indeed. But I believe, Mr. Speaker, we can have a fatal pessimism and a foolish optimism—though I do not want for a minute to insinuate that either of these two right hon. members went to that extreme. But if we are too pessimistic we are apt to lose heart. People sometimes get too sorry for themselves, they have too much pity upon themselves, and when they reach that stage their courage is apt to ooze out at their fingers' ends, with the result that objects aimed at are not accomplished. On the other hand it is sometimes just as foolish to underestimate the magnitude of the task that lies before us. While the Prime Minister was very optimistic I hope he realizes that we are not yet out of the woods, that we have a great many difficulties to overcome and that everything is not just as happy as it ought to be.

I happened to be reading the other day a biography of Sir John A. Macdonald and I came across the statement that he was the originator of the phrase, "Canada is a difficult country to govern." Now, I have no doubt of that fact, having regard to the physical characteristics of our country, reaching as it does from ocean to ocean, divided by natural physical barriers; and to the fact that the different sections of our population do not always take the same point of view and that, unfortunately, their economic interests do not always run parallel. We have a sparse population, compared with the great extent of our country; consequently it is difficult at all times to have legislation that will be in the interests of every section of the community. The factors bearing upon government are very numerous—international relations, manufacturing, trade and commerce, agriculture and all its allied industries—consequently we find that the functions of government are being widened day by day and the position is becoming more and more difficult.

Another point that should be considered in regard to all governments, provincial and municipal as well as Dominion, is the increasing wants of the people, the increasing demands of the people for further public services and utilities. Unfortunately these demands are not always accompanied by a desire to pay the taxes and to bear the burden of debt that is incurred in instituting and carrying on these public improvements and public utilities. I have heard it stated that progress first began when men began to live beyond their income. I feel perfectly satisfied that if that saying is true we have been progressing at a very rapid rate during this last number of years, individually and provincially as well as from the Dominion point of view. However, I am inclined to question the truth of that saying. It has been said also that the people to-day are eager for legislation but impatient of law. I do not know whether that is as true of the Dominion government as it is of the provincial governments, but we find a tremendous demand all the time for new legislation, and it is very

often the case that just as soon as the legislation is placed on the statute book it seems to be passed into the limbo of forgotten things. I am one of those who believe that governments, whether Dominion, provincial or municipal, should be careful in passing legislation; should see to it that the legislation is really wanted, that it is really in the interests of the people and not merely the whim of the passing moment.

There is a cry everywhere at this time for a forward-looking policy. Among people on the street, in the public press, all over the Dominion, you find a feeling of dissatisfaction, a feeling that something might be done more quickly than is being done at present to help the situation. There is a looking for someone to lead us out of the land of bondage into the promised land. I do not believe, Mr. Speaker, that we are going to find any supermen; I do not think they make them nowadays. No doubt we need good government, but at the same time the continued prosperity of the people of Canada, the practice of the quality of farsightedness, will rest mainly upon the industrious effort of the great masses of the people. Governments cannot make people industrious or happy; governments can remove obstacles and make it possible for the people to do these things for themselves. One of the wrong tendencies of modern times is for people to look to governments to cure every evil of the body politic, things which sometimes they can do much better for themselves.

There is no doubt that we have been passing through very trying and difficult times, and they are still with us; but we are not going to get out of them unless we face the situation and look to the future with cheerfulness and courage. I am going to read a short extract from a speech delivered by a gentleman in Ottawa not long ago. The Prime Minister quoted from his speech last night. I am inclined to believe that the Canadian people must have treated this man very handsomely judging from the remarks that he made during his visit here. I have no doubt he was quite honest in what he said, and I think perhaps he spoke the truth. I refer to Roger Babson, head of the Babson Statistical Corporation, Wellesley Hills, Massachusetts. He said:

> I am not indulging in exaggerated language or in flattery, but am soberly measuring my words, when I say that the growth and development of Canada have been of unalloyed benefit to the world. The Canadian people have added to the value of the world's common assets; they have grown to wealth and power; they have so conducted themselves that everywhere the name of Canada commands both goodwill and esteem. A daughter of the Empire, grown to be a potent partner, your nation stands, strong in self-reliant independence, but equally strong in loyalty to the British Commonwealth, clear-visioned, sound in mind and limb, coveting nothing, fearing no one. A great race in a great country is shaping and working out for itself, with high courage, energy and ability, a great destiny.

I do not know if all that he said is exactly correct, but it does us a great deal of good anyway to hear these things. I think I can say without exaggeration that we have an intelligent and industrious population, one that will compare favourably with that of any other country in the world. In these days we need to have faith in ourselves and in our country. Given these two requisites, I think perhaps we shall yet be able to solve the problems that seem so heavy to be borne at the present time.

Now I want to say a few words in regard to the Speech from the Throne. The first paragraph is very optimistic. Of course the reports we are getting from the government side are all very optimistic in character. We are told in that first paragraph that there is an excess of exports over imports to the amount of $260,000,000. That in itself is a very satisfactory statement. I might also mention just at this point that the big increase in our exports is largely due to the products of the field and of the forests; I think we should bear that in mind. The first paragraph then goes on in a very optimistic way and says that everything is very satisfactory, and that prospects for the future are very bright. Well Mr. Speaker, although we may be climbing the hill, I am perfectly sure that we have not yet reached the summit.

The second paragraph in the Speech deals with the cost of living, and says that this problem is to be solved by increased production. I am rather puzzled over this paragraph. High cost of living causes high cost of production; and high cost of production causes high cost of living. Now how are we going to get out of that dilemma? It seems to me that we are going round and round in a vicious circle; we get nowhere; we do not solve our problem.

The right hon. leader of the opposition (Mr. Meighen) has a panacea for all our ills, and I will pay him the compliment of saying that he has been very consistent ever since I came into this House in preaching that one doctrine, the doctrine of protection. The latest resolution he has placed on the order paper is a very happy document. I think it is even more encouraging, perhaps, than the speech of Mr. Roger Babson from which I quoted a moment ago, because the leader of the opposition has something good in his knapsack for everyone, no one is going to be left out;

he includes the farmer, the merchant, the artisan, the manufacturer and the labourer—they are all going to be protected.

Some hon. MEMBERS: Hear, hear.

Mr. FORKE: Hon. gentlemen say, "hear, hear." I am waiting with a great deal of anxiety to learn just how all this is going to be accomplished. At all events, we are told that no one is going to be left out in the cold, that every one is going to be protected. I notice that one paper in the west says that this solution of the leader of the opposition is something like a Christmas tree; there is something on it for every one. There is green for those who are green, and tinsel for those who do not believe that all is not gold that glitters.

There is one thing I would like to make plain to this House. It is sometimes taken for granted that some of us are not friendly to Canadian industries. Now I want to make it plain beyond any possibility of equivocation that nothing would please me better than to see the industries of this country thrive and prosper and serve the people of Canada. But if we are going to have industries we want them about one hundred per cent efficient. We want all the water squeezed out of the stock, and no dividends paid on watered stock. We want exotic and artificial industries wiped out of existence. And when that is done, I feel perfectly sure, the industries of our country are not going to suffer so very much after all.

We have cheap power in Canada. Two years ago, while the premiers of two of the states of the Australian Commonwealth were here, I heard them again and again express admiration for the great rivers we had in Canada and for the tremendous water powers that were available to the people of this country. One of them said that Australia had no such privileges as Canada enjoyed in the way of cheap water power. We want to take into consideration the fact that we have this cheap water power, and that our people are just as energetic, just as intelligent, and just as industrious as the people of any other country in the world; and, given equal conditions, equal facilities and some privileges I wonder why our manufacturers cannot compete with those of any other nation in the world to-day in industries which are suited to this country. We sometimes hear about mass production, the low cost of living, depreciated currency, and a great many other things that we have to contend against in this Dominion. There may be a little in some of these factors, but I have never attached a great deal of weight to this factor of the high cost of living, because where you find underfed and underpaid labour you will generally find that that sort of labour is inefficient, while the well paid labour in this country, living under proper conditions, is able to compete, I believe, with the labour of any other country in the world. Besides, I do not think you will ever find that by taxing people to keep industries alive you are going to solve the problem of unemployment. The whole thing is economically unsound, and is no solution of what I know is a very difficult problem at the present time. Sometimes we hear of a national policy. Yes, we want a national policy—a national policy for all the people, a policy that will suit the people of this country from the Atlantic to the Pacific. Since the days of Sir John Macdonald we are living in a new Canada. This is not the Canada of Sir John Macdonald. Since his day a vast consuming and producing population has come into existence between the head of the lakes and the Rocky mountains. That fact must be borne in mind when reference is made to the national policy of the late Sir John A. Macdonald; and let me state that no amount of reasoning, no amount of argument can ever convince the people dwelling upon the prairies that a protective policy can be of any benefit to them.

Sometimes we hear a great deal about the home market. And here let me make myself quite plain; we all understand the value of a home market; every one would rejoice if Canada were able to consume all that she could produce, it would be an ideal situation. But we know the facts. We are aware that in some parts of our country production reaches such a volume that it has to find a sale in the markets of the world, and the home market, while valuable in itself, certainly will not solve our problems.

The third paragraph in the Speech deals with the question of production, and also refers to the subjects of immigration, the development of our natural resources, and the need for colonization. I should like to place emphasis on the word "colonization" because I do not believe that we should have immigration unless we can properly absorb the people who come here, unless we are able to provide them with employment, or place them upon the land or in some position where they can support themselves. Unless we can do this it would be far better not to induce immigrants to come here simply to swell the volume of unemployment which exists in Canada at the present time. The keeping of people in Canada after we get them here is a very difficult problem. I

listened to the opposing speeches delivered yesterday with respect to the size of the movement of population across our borders into the United States. I do not know which speaker gave the correct figures, but I do know that more people are leaving Canada to-day than we like to see quitting this country. I am aware of the fact that living as we do beside an immense country like the United States, containing a vast population of one hundred and ten millions which is rapidly growing, that the country to the south will always offer an attraction for some of our people because of the wider field there for the exercise of their talents and the greater opportunity for employment. To my mind the problem presents itself in this form. First, how can we retain our native born people? In this regard a difficulty arises, and I want to state it as plainly as I can without any misunderstanding. Who comes, and who goes? Who are the people who come to our shores, and who are the people that are leaving? I have been very much interested in the question of education and for a very good reason. I have noticed the large number of young people who attend our high schools, our colleges and our universities, and I have wondered what becomes of the immense number who receive such a splendid education in Canada. In speaking upon this subject I do not want to be misunderstood. I think it is a splendid thing that Canada is able to offer such an education to our young folks but here is the difficulty: A great number of these young people who have been educated in Canada—of course the parents paid for that education but in the long run the cost devolved upon the country—find no scope for their activities in this country and they cross the border into the United States. There are the answers to the questions: Who come to Canada?—Some immigrants from eastern Europe; who go from this Dominion? —some of the brightest and best minds that we have. I cannot help mentioning these facts. My only regret is that I have no solution for the question.

Mr. MEIGHEN: Hear, hear; support ours.

Mr. FORKE: The right hon. gentleman says "hear, hear." I did not catch his other remark.

Mr. MEIGHEN: I say "Support ours."

Mr. FORKE: I cannot see that that would help the situation in any way. I think if we could make certain occupations in Canada a little more attractive, a little more remunerative, it is possible we would induce the bright young Canadians to whom I have alluded to stay and engage in them, a thing they will not do at the present time. If we want people to stay in Canada we must make the Dominion a good country to live in and to do business in.

My hon. friend from St. Lawrence-St. George (Mr. Marler)—and I am sorry he is not in his place this afternoon—

Some hon. MEMBERS: He is here.

Mr. FORKE: My hon. friends are quite right; I observe the hon. gentleman now and I am glad he is here. The hon. gentleman made a speech in Montreal not so long ago which I must say was most admirable in tone, and a good deal of what he said I appreciate. With your permission, Mr. Speaker, I am going to read a few sentences from the speech in question; to my mind they embody good sense.

Mr. MARLER: Hear, hear.

Mr. FORKE: By that remark I intended no insinuation whatever. This is the paragraph I have in mind:

> There is only one way and that way is to make living profitable not only in one section but in every section of the country, because one depends on the other and on the prosperity of the whole depends the general advancement. There is no other solid foundation on which we can build any immigration policy—money spent otherwise is fruitless and at the best only leads to temporary and not to permanent colonization. That is clearly shown by the results of experience in immigration. In the twenty years (1901-1921) the first ten of which should be remembered were the greatest spending and immigration period in our history—had we retained our natural increase and our immigration we would have increased our population by 5,580,797 people. We only increased it by 3,417,168. In other words, people who were Canadians or who had come in with the apparent intention of settling left to the extent of 2,163,629. Had we retained these people our population in 1921 would have been 10,952,112, whereas it was only 8,788,483. We spent in these twenty years directly on immigration over $22,500,000. I am attributing no particular blame to anyone in this regard except to repeat that I do not think we were building on a solid foundation.

Now, I think that in those words the hon. member spoke very sensibly. But I am beginning to wonder why he should now preach as a remedy for the existing state of affairs more protection.

Mr. MARLER: No.

Mr. FORKE: Or protection.

Mr. MARLER: No.

Mr. FORKE: I think that was the statement the hon. gentleman made.

Mr. MARLER: Let my hon. friend read my speech right through.

Some hon. MEMBERS: Oh, oh.

Mr. MARLER: The hon. gentleman is quoting an editorial from the Manitoba Free Press.

Mr. FORKE: I do not want to be unfair to the hon. gentleman, I wish to be fair in every way, but I understood from his remark that he believed in the protective policy for the central provinces, and a bonus to the railways for the west to meet its difficulties. Am I correct?

Mr. MARLER: To a moderate extent, yes.

Mr. FORKE: That is all I wanted to prove. I am surprised that the hon. member should point out that that policy was a failure for twenty years, and now should want a little more of it.

Mr. MARLER: My hon. friend is misinterpreting my remarks. I think that if he reads carefully what I said in Montreal he will find that what I said was very fair and just towards the west, and a very fair exposition of the feeling in Montreal towards the west. My hon. friend is not fair in the attitude which he has assumed to-day. The feeling in Montreal is one of sincerity, fairness and justness so far as the west is concerned.

Mr. FORKE: I do not doubt for one moment the sincerity or good will of the hon. gentleman. I think he really meant well towards the west in the statement which he made in Montreal at the time referred to. But I differ from the conclusions which he draws from the conditions which now exist. Apparently he takes the ground that central Canada could not possibly get along without some means of protection, but that the west would not be helped by protection. I would infer that they could not, because in return for protection to the central provinces you are willing to give a bonus to the railways carrying freight from the west. Is that not a fair interpretation of the hon. gentleman's argument? That is all I have tried to prove. I think the address of the hon. gentleman was one of good will and showed what might be called a very reasonable spirit. However, I am inclined to think that the idea of a bonus to the railways is not going to solve the problem either of the west or of the Maritime provinces. I had another extract taken from a Maritime province paper that I might have read, but I will not do so. I am inclined to believe they are in as difficult a position in regard to railway transportation as we are, if not more difficult.

Speaking about industries, I feel perfectly certain that an increased population and an increased purchasing power of the people of Canada will do very much more to solve our industrial problem than any question of tariff policy is likely to do. I noticed that in the Speech from the Throne the government almost despairs of any reduction in taxation. The Prime Minister (Mr. Mackenzie King) last night pointed out the large volume of taxation that can be attributed to the war and he also pointed out the deficits in the operation of our Canadian National railways which could be attributed to the same cause. I hope the government has not given up the idea of economy. Drastic economy is necessary in the public affairs of the country at this time. Taxation is pressing heavily on all classes of the people. The tremendous taxation, not only Dominion and provincial, but also municipal, is perhaps the one drag on our prosperity at this time. There is no doubt that all governments indulged in a policy of rapid spending, and now after the money has been spent we are trying to pay the bill. In regard to taxation, I should like to see the field of taxation accurately defined between the Dominion and the different provinces, so that there will be no overlapping and no extra expenses incurred in the collection of taxes.

Another matter that I think should be settled at an early date is the question of the natural resources of the different provinces. If our field of taxation were properly mapped out, and if the question of the natural resources of the provinces were definitely settled, there would be no necessity for those pilgrimages of provincial premiers and other officials to Ottawa, to confer with the Dominion authorities here. If these questions were settled, it would make no difference which party was in power in the Dominion or which party held the reins of office in the different provinces.

The fourth paragraph of the Speech from the Throne states:

> It is becoming increasingly evident, however, that quite as important a factor as the customs tariff in their effect upon production and living costs are transportation costs and rates, by land and sea. It is the opinion of my advisers that the attention of parliament at the present session should be directed more particularly to the desirability of effecting a freer movement of commodities through an equalization of railway freight rates—

And so on. Now, Mr. Speaker, I think this paragraph is rather adroitly worded. It mentions tariff, taxation and transportation in almost equal terms. I am quite willing at this time to admit the tremendous importance of transportation and the great significance

of having that question settled definitely and rightly at the present time; but I want to give notice to the government that members who sit in this part of the House at least have not yet given up the idea of tariff reduction, and do intend pressing for further reduction along this line. I am greatly encouraged in this after listening to the speech of the Prime Minister (Mr. Mackenzie King) last night. I thought perhaps that, having made some little movement last year he felt now that he might rest upon his oars and leave things alone for some time. But he was careful to explain to the House last night that the manufacturers were never so prosperous as they are to-day, especially those who had been affected by the reduction in the tariff. This being so, I expect he will come forward with renewed courage and touch other fields that have as yet been left untouched.

I wish to say a few words with regard to transportation. What the arteries are to the human body, transportation is to the industrial and economic life of a country. The transportation system is really the very centre of our national life. The whole question of railway rates to-day is now before the country, and we want to have it definitely and rightly settled. I mentioned the Maritime provinces some little time ago. I notice they are also in earnest in this matter. I have learned to know just a little during the last three years about the great provinces of Ontario and Quebec. No one can admire those provinces more than I do, and no matter what the future may hold, I expect that they will grow and become prosperous. But I desire to make a prophecy. I predict that in the not distant future, under proper conditions, the great majority of Canadian people will live in the territory west of the Great Lakes. I make that statement at this time to the people of eastern Canada, just to remind them that when the balance swings the other way, we will be just as ready to do justice to them as they are willing to do justice to us at the present time.

Mr. STEVENS: Is that a threat?

Mr. FORKE: No threat is intended. I desire to say a few words about the province of the hon. member for Vancouver Centre (Mr. Stevens). The future of British Columbia is all right—no question about it. I believe the great arteries of trade in the future will be on the Pacific ocean, and nothing in this world can prevent the province of British Columbia growing in numbers and prosperity.

An hon. MEMBER: Chinamen.

[Mr. Fofke.]

Mr. FORKE: No. But at the present time transportation to the prairies is a question of tremendous importance. Situated as they are in the centre of the continent from east to west, and denied, Mr. Speaker, an outlet to the north at the present time, it follows that any system of railway freight rates is a great problem to the people living in those provinces.

Another point is that any railway situation which rests upon high rates is not resting upon an economically sound foundation; increased population, increased production and increased traffic would be a very much safer basis for our railways than extremely high rates imposed upon a small population. There has been a great deal of misunderstanding in the west with regard to freight rates, and I believe for that reason more attention should be paid to this matter than has been given it in the past. The Premier of Manitoba made a statement the other day, and with permission of the House I should like to read what he said. This was a communication to the Montreal Herald of January 10. He said:

> Railway lines have been built and equipped and goods are transported into and out of the country, but shippers are asked to pay a freight charge which is excessive. There is also imposed upon the people of the province—

Speaking of Manitoba.

> —a tariff on imported goods which renders their position most difficult. The people are convinced that this arbitrary economic arrangement is unjust and unfair, and it may be taken for granted that the fight will never cease, until there has been a more satisfactory arrangement.

The fifth paragraph of the Speech from the Throne deals with ocean freight rates. The government has been twitted a good deal about the legislation that was passed in regard to lake freights, and perhaps the whole thing did not turn out as satisfactory as might have been the case. I have never felt inclined to blame the government for any mistake or miscarriage that has occurred respecting legislation passed in this regard. Everyone is aware to-day that lake freights are in a very unsatisfactory condition; that one-half of our grain is at present being carried to American ports; that it can be carried from Fort William to American ports at a cheaper rate than it can be transported a shorter distance to Canadian ports. As long as this condition of affairs exists, do hon. gentlemen believe that the situation on the lakes is what it ought to be? When we come to deal with ocean freights we are, perhaps, grappling with a wider question, but we can let this matter stand until we hear what proposals the government has to make in regard to it. I would

make just this comment, that the whole question of the cattle trade between Canada and the Old Country rests, at the present time, upon this question of freight rates. I have no hesitation in saying that if the present rate continues, the traffic will dwindle and die, because farmers will soon get tired of raising cattle just to create freight for ocean steamships, just as they will soon get tired of raising grain in order to provide traffic for railways. There must be a reasonable profit for the man who is carrying on the work.

I was rather surprised when I read the seventh clause in the Speech from the Throne, dealing with the Senate. Some reference had been made to speeches delivered throughout the country during the recess; and from some speeches delivered by the Prime Minister we expected that something drastic was going to happen to the Senate at this session. But the language now in the Speech from the Throne is much more careful and guarded, and I am beginning to think that the Senate are getting more firmly placed in their seats and they are not likely to be disturbed, at least for some years to come. While I believe in a second chamber, my little experience in this House having led me to the conclusion that it is quite possible that ill-considered legislation may slip through and that some check is necessary, I think it is an anachronism to have a non-elective body, a body whose members are appointed for life, which can permanently defy the enactments of this House. Certainly some other system of carrying on the business of the country will eventually have to be adopted, and I hope this government will have the courage to tackle the question in the very near future.

We are promised some amendments to the Grain Act which will be a very important document, and we are also asked to deal with some trade agreements. These matters I will leave for discussion at a more opportune time.

We are told that the estimates are being prepared with extreme care and with economy kept always in mind. I do not mind expressing my opinion as regards the method in which the estimates come before this House. I have always felt, coming into this House as a layman, knowing nothing about the situation, that our method of criticising the estimates is very lame, the idea being to drag the information out of the minister, to get all we can out of him. I am not casting any blame on any particular member of the government, but it is evident very often that the least said the soonest mended and the minister, perhaps, sometimes knows just as much about the subject—I say this quite candidly and not in any derogatory manner—as the member who asks for information. For instance, the Minister of the Interior (Mr. Stewart) may have thousands of employees in his department and it is impossible that he should be familiar with all the work they are doing. The system is wrong and a better method should be devised whereby members can criticise the estimates more intelligently. Every year estimates are brought down for improvements all along the Atlantic coast. Probably we devote our energies to blocking something the blocking of which is an absolute necessity, yet at the same time we let some vote slip through that is not needed at all. That is not the proper way to do business. I hope the government will practise every possible economy, do no unnecessary work and do what is necessary in the most efficient manner. The country is impatient as regards taxation. We know that every government professes economy and every government, to some extent, practises extravagance. The sooner that sort of thing stops, the better.

I want to make just a few general observations in closing. Perhaps a better day is dawning for Canada and I am hopeful for the future. I know very well that we are not yet out of the woods; that we have many troubles to meet. The other evening I picked up a Scottish newspaper that a friend had sent me and I read a speech that had been delivered in the town of Berwick, which is neither in Scotland nor in England, but just between the two. This speech was delivered by an Alberta farmer who gave a most glowing account of conditions in Alberta and of what could be accomplished in the way of wheat growing. In fact, he pointed out that Canada, western Canada in particular, was a most desirable place to live in. He also made this statement which I hope will go abroad, that it was a paradise for women. The same evening, in discussing western conditions with a friend, I heard the story of people living on the prairies who were unable to secure the bare necessities of life. I have no doubt as to the truth of both of those statements. And that just explains how difficult it is for an easterner to get an accurate conception of conditions in western Canada. We have a good country and under proper conditions I can, without any hesitation, advise immigration into that country; but we want to see conditions made suitable for people who desire to earn an honest and decent living.

At the present time we hear a good deal about our natural resources and we sometimes get tired of the term. A section of the

richest agricultural land in the world is of no value until it is cultivated and producing crops; the richest mines in the world are of no value until they are developed. Therefore, while it may be quite true that we have great natural resources, they are of no use to Canada until they are developed.

I should like to have said a few words about the minerals of Canada, but I am not going to take up the time of the House. Not long ago I listened to a speech delivered by Professor Wallace of the University of Manitoba dealing with the great pre-Cambrian shield which occupies about sixty-five per cent of the whole area of the Dominion. He pointed out the fact that the Sudbury mines were discovered only by the building of the Canadian Pacific railway; that the Cobalt mines were only discovered during the building of the Temiskaming and Northern Ontario railway through the finding of a lump of silver in a rock cut. The fact was also pointed out that it was highly probable that riches just as great existed throughout that great area if only they could be discovered. Let me say here that for three hundred miles along the shores of lake Winnipeg, and for a distance back of some four hundred and fifty miles, there exists the same pre-Cambrian shield which is supposed to be rich in mineral wealth and which can be developed when the Hudson Bay railway is in full operation.

It is my desire to see Canada a land of happy homes and of moderate wealth widely distributed; I do not want to see it a land of multi-millionaires and poverty-stricken people living side by side. This ideal is what I stand for, as far as it lies within my power to bring it about, in any public policy I advocate. I have no quarrel with any sections of our population; I believe that to some extent at any rate there will always be rich people and poor people. At the same time, however, I do think that there should be equal chances for all, and I certainly do not think that riches should grow like a rolling snowball with some while others have to struggle to secure a bare existence. I hope that in the days to come our country will prosper and that this nation will be a people happy and contented in every sense of the word.

Mr. J. S. WOODSWORTH (Centre Winnipeg): Whatever else may be said with regard to the Speech, it probably indicates fairly well the policy of the government—a policy which we must say consists very largely in the enunciation of some vague generalities rather than in the bringing foward of concrete proposals; a policy which perhaps gives the appearance of activity while actually marking time; a policy which resorts to the use of catch words without advancing any definite solutions for the new and pressing problems that face us at the present time. Indeed, I think we might go further and say that this policy even fails to recognize these new and pressing problems. It is interesting to note that a conference is being suggested to deal with the question of the Senate, and possibly to consider wider revisions of the British North America Act. Whether this conference between the Dominion and the provincial governments will achieve any further results than have been attained by other conferences of a similar character, remains to be seen. There is not the slightest doubt, however, that, as we tried to point out last year, there is an urgent need of a revision of the British North America Act. This has been brought very forcibly to our attention by the recent decision of the Privy Council touching the Industrial Disputes Investigation Act, which decision must have very far reaching effects indeed. Much of the Dominion legislation as it now stands on the statute books may well be called in question; an appeal might show that it is ultra vires of the Dominion parliament. Further this decision may handicap us in this House in trying to place any progressive legislation on the statute books, inasmuch as we are at an utter loss to know what is and what is not within the power of the Dominion parliament at the present time. Without laying blame on any one government, the fact is that our constitution, which was drawn up nearly sixty years ago, was framed at a time when conditions differed very fundamentally from the conditions that exist to-day. I am not reflecting in any sense whatever on the Fathers of Confederation when I state that some change is necessary. There is no doubt at all that they did the best they could to provide for the needs of their day; but their day is not our day, and if we wish to be true to them we must do in our day what they did in theirs—make such necessary changes as shall provide for the needs of our own times. It would be absurd to imagine that private business could be conducted to-day in precisely the same way that private business was conducted sixty years ago. When we think of all the modern inventions that have been instituted, the modern complicated organization of industry and commerce and finance, it is absurd to think of going back to the methods of sixty years ago. Yet we in Canada in the conduct of public business are practically confined to an instrument that was created so long ago.

With regard to conditions in general in Canada, the Prime Minister (Mr. Mackenzie King) declared last night that we might well listen to what the bankers had to say. It seems to me that he was quite right in that, because under the existing financial arrangements the bankers can very largely decide what the conditions shall be. If they decide that there is to be another wave of prosperity at the present time, I have no doubt that the wave of prosperity is already under way. But it may be said, nevertheless, that even they are unable to decide, under the economic conditions that prevail, whether prosperity will remain for any time. The Speech tells us that for Canada the year 1924 was a period of substantial progress. Listen to what one of the bank managers has had to say—and the Prime Minister did not quote him. Sir Frederick Williams-Taylor, the general manager of the Bank of Montreal, at the annual meeting, to which the Prime Minister did refer, said:

> My view, in brief, of the situation is that business generally in Canada is unsatisfactory, but with some bright spots. This expression of opinion may not be popular, but it seems to me much better to look the matter squarely in the face than to allow ourselves to be led astray by popular delusions. That general trade is dull, to put it mildly, is no delusion. Many of our industries are running on half time, with diminished profits or no profits at all. Taxation is heavy to an extent which discourages new enterprises. The cost of living is high and our population in point of numbers is at a standstill or worse.

Here we have a frank recognition of our heavy overhead charges, high taxes and high cost of living, and factories running on half time. So far as labour is concerned, the high cost of living and half time work means unemployment and suffering; it involves in its larger social aspects sickness and crime of all sorts. Right here in the city of Ottawa we have had in recent months several cases of suicide which appear to be directly traceable to despondency owing to lack of work. Within the last few days the press has been telling us of a poor fellow who has been imprisoned in a cave and to rescue whom every effort has been made and every expenditure possible incurred. Millions of people throughout the country have been interested in his fate. Yet there are tens of thousands who are suffering to-day very acutely because of unemployment. I am not very much concerned whether the unemployment in Canada is greater than the unemployment in the United States; the fact is that unemployment exists here and we have its consequences to deal with. Last autumn a conference was called by the government to deal with this matter. That conference might almost be described as a cruel farce. There were some fifty delegates representing the Dominion and provincial governments, as well as the municipalities, the Canadian Manufacturers Association, the Canadian bridge and construction industries, labour, the Canadian railways, and the employment services of Canada. After all these delegates had assembled, the Minister of Labour stated on behalf of the Dominion government that nothing could be done by the Dominion. He simply, as it were, flourished the British North America Act and said it was impossible to do anything. His statement included this:

> If indeed, the matter were one of other than financial assistance, the participation of the Dominion government might be regarded as interference with provincial rights.

Thus a very real and pressing need is brushed aside as of comparative unimportance and we have a purely technical, legal, constitutional attitude presented. Even then the Minister of Labour might have remembered that so far back as 1920 a report on this subject of the draft conventions was submitted to the Governor in Council by the Minister of Justice on March 2 and duly concurred in by the council and approved by His Excellency the Governor General on November 6. In that report we find the following statement:

> Unemployed insurance has a pronounced federal aspect and on the whole the minister thinks the establishment of a system of unemployed insurance is competent to the Dominion in the exercise of its residuary legislative power with regard to the peace, order and good government of Canada.

As I think I said last year in this House, where there is a will there is a way and where there is no will there is no way. The position of the Minister of Labour was very largely backed up by the Acting Minister of Finance (Mr. Robb). In flat contradiction to the representations at the conference of Canadian manufacturers and to the evidence submitted by mayors and responsible officials from Halifax to Vancouver, he said:

> I say trade in this country is good. . . . That is the reason for unemployment. . . . There are too many people flocking to the cities. . . . There is work for them on the farms if they want work.

Where can we get with statements of that character, in the face of the undoubted evidence to the contrary? Since that conference conditions have not improved. According to the press despatches as published, we had a deputation here a few weeks ago from eastern Canada headed by Premier Armstrong in which he is reported as having stated:

> That at the Sydney mines in one of the coal towns, so acute is the situation that people were suffering

from hunger and some were actually living on mushrooms picked in the woods. Such a situation, he said, required action by the government. There were 23,000 people unemployed and more than 100,000 dependents affected.

In my own city of Winnipeg we have at the present time some 1,200 married men and 800 single men in receipt of relief very largely owing to their unemployment. Large and influential deputations recently waited on the city council of Montreal to bring to the attention of the council the extremely serious situation which prevailed. Within a few days we have had deputations from Toronto and Ottawa. We had evidence presented at the unemployment conference with regard to the serious conditions even among the immigrants from northern Europe. The Danish Consul and the Scandinavian Emigrant Station have both protested in the very strongest terms against the bringing over of Norsemen into the midst of a population where there was a great deal of unemployment.

I do not wish at this time to discuss the responsibility of the federal government, but I should like again to take the position I have taken on previous occasions, namely, that the body which is so largely responsible for the immigration policy and for the financial policy of this country cannot possibly escape responsibility for the unemployment which is largely the result of those policies. The government which through its arrangements fails to make it possible for people even to obtain the necessities of life—food, clothing and shelter—cannot possibly have a claim upon the loyalty of its people. It may be a government of certain interests; decidedly it is not a government representative of the great masses of the people.

The Speech suggests with regard to our big problems that their ultimate solution lies largely in increased production and the development of new and wider markets, apparently ignoring the fact that already from one end of this country to the other we have production that is altogether in excess of the buying power of the people. Surely it does not require a man of any great economic knowledge to recognize that if we have already too great production we shall not solve our problems by having still greater production. It would seem almost obvious that what we need to do is to increase the buying power of our people. That is the point of view which again and again during the past two or three years members in this quarter of the House have been trying to urge upon the government. There are only three or four factors necessary to production. We need the

natural resources; we need labour; we need equipment, and under the present financial system we need financial capital. It is not necessary to speak of the natural resources of Canada; the Prime Minister has already waxed eloquent on that. It is not necessary to say anything in regard to labour; I have already indicated that there are vast numbers of our Canadians who are not able to obtain work and who could readily be utilized in developing these natural resources. In regard to equipment, you will permit me to quote just a few of the recognized authorities along this line. Mr. Beatty, president of the Canadian Pacific Railway Company, says:

Canada is blessed with more railways than she has traffic for.

The Journal of Commerce declares:

We now have a plant capacity which in many lines is 20 per cent ahead of domestic consuming demand. In order to run full, 20 per cent of the output must be sent abroad.

The Shoe Manufacturers' Association declares:

The productive capacity of the Canadian shoe manufacturing industry and the distributing facilities of the shoe trade of Canada are much in excess of the requirements of the present Canadian population.

Mr. S. G. Latta, of Saskatchewan, said:

My province is now producing enough to feed approximately thirty million people. Our population is about three-quarters of a million and we are not making a living out of our production.

So much for the equipment that is necessary to develop these resources. But we have been told all along that in addition to these primary factors we must have financial capital. Well, that problem is now solved for us; for Sir Frederick Williams-Taylor at the last meeting of the Bank of Montreal stated:

It is a matter of national importance that the commercial loans in Canada of all our banks are $100,000,000 less than a year ago. . . . These figures indicate the ability of the banks of Canada to finance a trade revival when it occurs. Furthermore, while there is this excess banking capital in the country, borrowing abroad, which increases our interest remittances—already too heavy—is not a necessity.

At present, then, according to one of the outstanding authorities in banking circles, we already have more than abundant financial capital to carry on the affairs of this country, and that without resorting to any of the changes which have been advocated by my colleague and other members of this House. I am speaking of the economic system as it now stands. We already have our natural resources, our labour, our equipment, our financial capital; what more do we need? I think that the real difficulty was indicated many years ago by the United States Com-

mission on Industrial Relations, from which I should like to quote a few sentences:

> A careful analysis of all available statistics shows that in our great basic industries the workers are unemployed for an average of at least one-fifth of the year, and that at all times during any normal year there is an army of men who can be numbered only by hundreds of thousands who are unable to find work. . . . fundamentally this unemployment seems to rise from two great causes, though many others are contributory. First, the inequality of the distribution of income, which leaves the great masses of the population, the true ultimate consumers, unable to purchase the products of industry which they create, while a few have such a superfluity that it cannot be normally consumed, but must be invested in new machinery for production, or in further monopolization of land and natural resources. . . .
>
> The result is that we have an equipment in plant and developed property far in excess of the demands of any normal year, the excess being in all probability at least 25 per cent. Each of these plants keeps around it a labour force which on an average can get work for only four-fifths of the year, while at the same time the people have never had enough of the products of those very industries—have never been adequately fed, clothed, housed, or warmed—for the very simple reason that they have never been paid enough to permit their purchase.

I think surely that is all that needs to be said to indicate the way out.

The Speech goes on to speak of the existing burden of taxation as being due mainly to uncontrollable expenditure in the nature of payments and obligations arising out of the war, and to the encumbered position of the National Railways. The burden of taxation no one will deny. Will you permit me, Mr. Speaker, to quote a few figures, because in this connection we should think not merely of the taxation under the Dominion government but of the other taxes which Canadians must bear. The gross debt of the Dominion is $2,940,099,088.35. The securities guaranteed by the Dominion amount to $590,510,932.55. The funded and floating debt of the provinces amounts to $697,785,627. The funded and floating debt of the municipalities amounts to $706,644,567. That gives a grand total of $4,935,040,134.90; that is $548 per capita on a basis of 9,000,000 of population, or an average capital debt of $2,740 for a family of five. That is the burden of debt which we carry at the present time. But should the expenditures involved be regarded as uncontrollable? A great many people of this country are beginning to ask questions along these lines: Why should bondholders be exempted from the ordinary vicissitudes of life? Why should the value of bonds be nearly doubled since their issue and their enhanced value held sacred? Why should the Canadian Pacific Railway be permitted to take 10 per cent as a first charge on industry? Why should the banks, after the most lavish overhead expenses, be permitted to declare 12 per cent and a bonus? I submit, Mr. Speaker, that sooner or later the war debt itself must be tackled. We cannot forever allow the people of Canada to be saddled with this enormous debt.

According to the Bankers' Trust Company the net result of the war so far as it concerns most of the people of this country has been the transference of wealth from one group of people to another group. In speaking of this redistribution of wealth caused by the war the Bankers' Trust Company in a little book, the Inter-Ally Debts, says:

> The actual wealth of the country in real estate and other tangible assets has not changed materially, but the mortgage on that wealth, if we may use such an expression, held by the owners of the government's debt, has materially changed.

According to the figures of this authority the pre-war wealth was per capita $1,831.25. On the supposition that we have now 9,000,000 people the post-war debt is $1,666.67, almost as great. The pre-war income was per capita $250; the post-war income is per capita $266.67. That is, we are on the average better off since the war than we were before the war, and still we hear about bad times, still we are bearing enormous burdens.

I have spoken of our enormous war debts. What about the cost of government? The cost of federal government, from the latest figures available for last year, was $424,645,217. The cost of the provincial governments was $130,887,303. The cost of municipal governments was $247,255,345. These make a grand total of $802,787,865. That is $89 per capita on an estimated population of 9,000,000, or $445 of an average annual charge for a family of five. These are some of the enormous burdens which we are carrying at the present day It may be of interest to note, by the way, that if the figures of the Bankers' Trust Company are correct, and comparing those with the figures which I have just now given, it would seem as if one-third of the average income goes to keeping up the governments of the country.

Last night the Prime Minister quoted Mr. R. S. White, in the Commercial and Financial Review of the past year. Mr. White says in a passage not quoted:

> On November 30th the funded debt of the Dominion was $2,593,000,000, of which no less than $1,929,000,000, or upwards of 70 per cent, is payable in Canada. Approximately $100,000,000 of interest on debt is being paid annually to Canadian bondholders.

That is, the war had this effect: It transferred the wealth of this country into the hands of a very small group of people or perhaps, to put it a little more accurately, put

into the hands of a little group of people mortgages on the entire wealth of Canada. The result is that to-day a comparatively small group of people is receiving an annual tribute from the rest of the citizens of Canada of $100,000,000 per year. Further than that, of this enormous tribute over one-half is tax free.

Mr. LANCTOT: That is worse.

Mr. WOODSWORTH: Much worse. That is the thing to which we need to pay attention. That is the situation with regard to our internal affairs.

I should like to ask, in passing, one other question: How was this debt created? I think attention has been drawn within the last two or three years to a little pamphlet issued by the Liberal party, back in May, 1915, with regard to war contract scandals—horses, boots, drugs, binoculars, motor trucks, and so on. This same matter is alluded to in a motion already on the order paper of the present session. It was stated at that time:

> One outstanding fact in connection with the investigation should be kept in mind. The total amount of money involved in the purchases investigated was no more than $3,000,000. This included the price of the submarines. In other words, the Public Accounts committee's investigation touched less than one-sixteenth of the $50,000,000 voted by parliament in August for war purposes.

What about the other two billions that were spent on the war? What are we going to do about it? Simply forget all the past and burden ourselves, and our children, and our children's children with these enormous loads? Have those who looted the public treasury been prosecuted? This is the question that many are asking to-day, though it may not often be asked in this House. Has the government sought to recover the loot? No. On the other hand we continue to pay interest on the graft. It may very well be said that many of the present bondholders are innocent. That may be true, but I submit that in ordinary legal practice the receivers of stolen goods, although they may suffer hardship, are not protected in this way.

I should like to pause for just a few minutes to consider another development that has taken place in Canada that will bring us under bondage not merely to a portion of our own people, but ultimately to an outside nation. In a review of the United States investments in Canada, issued by the United States Department of Commerce under the direction of Herbert Hoover, the following statement is made:

> Economically and socially Canada may be considered as a northern extension of the United States, and our trade with Canada is in many respects more like domestic trade than our foreign trade with other countries.

The United States capital invested in Canada, the department shows, has increased from $420,000,000 in 1915 to at least $2,425,000,000 in 1922, or nearly six-fold. In the same period British capital in Canada has remained very nearly stationary, amounting to $1,860,000,000 in 1915, and to $1,980,000,000 in 1922. Further than that, the United States in recent years has largely replaced Great Britain as Canada's banker. In the eight years just preceding the war 73.5 per cent of all of Canada's borrowings were from Great Britain and 9 per cent from the United States. In the eight years ending with 1922 only 2 per cent of Canada's borrowing came from Great Britain and 33 per cent from the United States. I might add, on the authority of Sir Frederick Williams-Taylor that in 1924 Canada's borrowings in the New York market amounted to two hundred millions which, as he quite correctly points out in a passage already quoted, means a definite added interest charge on the people of this country. It would seem that if these conditions continue very much longer Canadians may be reduced to the position of being literally hewers of wood and drawers of water for the capitalists of the United States. Then too, it should be noted, these enormous incomes that are being enjoyed by the people of the United States are not taxed as the Canadian incomes are taxed. According to the Commissioner of Taxation "under the provisions of the Income War Tax Act, 1917 a non-resident is not liable to income tax in respect of dividends or interest paid to him by the Canadian company." So there we have the situation, that although enormous wealth is being produced in this country a very considerable proportion of it is being drained away to others who do not assume their fair share of the load. I have nothing whatever against the capital being American in ownership; but this condition enables us to see very clearly the character of the great economic movements of the present day. There are some in the west who will tell us that the solution is to break up confederation. There are some from the east who are inclined to echo the same doctrine. I do not wonder very much that this position is being taken by those who are carrying an undue proportion of this load. But I should like to urge that economic questions are deeper than political questions, and that economic questions cannot be solved by mere political methods; they require economic solutions.

I should like now, for a few moments, to come particularly to the Speech as it refers to the labour people of Canada. I do not know that it was any great surprise but

certainly it is a matter of keen regret to the labour men across Canada that the Speech contains no intimation whatever that the government is proposing at the present session to carry out its pledges made to labour. I hold in my hand a copy of a pamphlet entitled Liberals and Labour. A pre-election appeal to labour issued by the Liberal committee in October, 1921, at the very forefront of which stands the name of Hon. W. L. Mackenzie King, Liberal leader. This document begins by criticising the Conservatives for their action, or rather inaction, with regard to labour affairs.

The Conservative government failed to act. It was all a case of promise and pretence used only to fool the labour vote on the eve of elections.

I wonder whether this document can be said to differ very largely from those issued by the Conservatives, and I consider that it ought to be known to the labour people across Canada from coast to coast that the actual record of the Liberal government during the past three years has been almost barren of any enactment that is in the interest of the group commonly known as labour. The Liberals advocated at that time, the placing of the implements of production and food on the free list. I waited for three years for something along that line, and then last year introduced an amendment to the budget—but without any very noticeable results. In addition to the tariff policy referred to this document goes on—

Resolved that the committee recommends that the National Liberal Convention accept in their entirety, as a part of the Liberal platform in the spirit they have been framed, and in so far as the special circumstances of the country will permit, the terms of the Labour Convention and general principles associated with the League of Nations and incorporated in the conditions of peace.

Now, let me remind the House that these general principles incorporated into the treaty at the Peace Conference of Versailles are just as vitally a part of that treaty as were any of the international boundaries drawn up at that time, and labour had a right to expect their fulfilment. And further, we have here the promise that the Liberal party would carry out these provisions to the utmost of their ability. I propose to read these clauses with very brief comments, asking what the government has done with regard to these reforms to which it is solemnly committed.

These methods and principles for regulating labour conditions so set forth in the treaty are as follows:

First, The guiding principle that labour should not be regarded merely as a commodity or article of commerce.

I should like to ask the government to point out any specific cases in which they have regarded labour, or enacted legislation providing that labour should not be regarded, as anything else than a commodity. I fail to see any application of that principle in the immigration policy or in the provision for unemployment for example to which we have already referred.

Mr. MACKENZIE KING: What would the hon. gentleman say with regard to the appointment of the president of the Trades and Labour Congress to the Board of the Canadian National Railways?

Mr. WOODSWORTH: I quite intended to recognize that the government had carried out that provision, but I fail to see how he connects the appointment of the president of the Trades and Labour Congress to the Board of the Canadian National Railways with this principle that labour is not to be regarded as a commodity. I am quite open to any suggestion along that line, but I cannot quite see how this action is an application of the principle.

Second. The right of association for all lawful purposes by the employed as well as by the employers.

The only opportunity that we have had of testing the government on that was a resolution I brought forward two years ago, asking that bank clerks be given a right to organize, which resolution was voted down by the government.

Third. The payment to the employed of a wage adequate to maintain a reasonable standard of life as this is understood in their time and country.

It is pointed out here repeatedly that the average wage paid to the employees in this country is far below the average minimum set by the official government standard. Furthermore, many of the government employees are receiving far less than the standard which the government itself sets up as being the minimum for a decent standard of living. As I think I pointed out when the estimates were before the House dealing with civil service employees, there were postal workers, in the city of Winnipeg, employees of this government, receiving a smaller amount than was being paid in doles to those in receipt of charity from the city.

Fourth. The adoption of an eight-hour day or a forty-eight hour week as the standard to be aimed at where it has not already been attained.

The government has sought to escape responsibility for this by saying that this was not within the province of the Dominion government; but last year when they were pressed on this matter by an amendment which I introduced, the Minister of Labour said that it would not be possible to put into practice this principle of an eight-hour day

on the government owned public works, because that might involve unfair competition with the private employers.

Mr. MURDOCK: I am sure the hon. gentleman does not desire to make a statement that is not correct, but he does make a statement which is not correct when he says the Minister of Labour said it would not be possible. If the hon. gentleman would stick to the record it would be better I think for him and all concerned.

Mr. WOODSWORTH: I shall be glad to have members of the House refer to Hansard for what was said in regard to that matter.

Mr. MURDOCK: Will the hon. gentleman correct that statement by reading Hansard himself and giving the House the statement made by the Minister of Labour? The reason I make that request is that all over the country according to the press, the same misstatements have been made by the hon. gentleman.

Mr. WOODSWORTH: Mr. Speaker, I can only reaffirm what I said. My recollection of Hansard—and I think I am correct in this—is that what was said was in line with the statement I have just made. I have no desire to misrepresent the Minister of Labour (Mr. Murdock), and if on reading the statement in Hansard I find I have not quoted him correctly I shall be very glad to bring the correct statement before the House.

Fifth. The adoption of a weekly rest of at least twenty-four hours which should include Sunday whenever possible.

Yet we have had for example the steel works in Nova Scotia when they are in operation working their men eleven and thirteen hour shifts, and every other week twenty-four hours on end. We have even had the seven-day week existing here in the city of Ottawa among some of the government's own employees.

Sixth. The abolition of child labour, and the imposition of such limitations on the labour of young persons as shall permit the continuation of their education and assure their proper physical development.

I am glad to know that the Liberal Association recognized their responsibility along educational lines, even although that is not expressly stated under the British North America Act. I am quite aware that the actual conduct of education comes within the scope of the powers of the province, but the fact is that there are thousands of children across Canada to-day who, because of the prevailing economic conditions, are being withdrawn from school. In my own province we have had a large number of schools shut down because of insufficient financial resources. Further than that, we have had the government carrying on the existing system of juvenile immigration which has involved a very large supply of child labour for the farms and homes of this country.

Seventh. The principle that men and women should receive equal remuneration for work of equal value.

I can find no effort whatever in the civil service even to carry out this principle.

Eighth. The standard set by law in each country with respect to the conditions of labour should have due regard to the equitable economic treatment of all workers lawfully resident therein.

I cannot find that any effort has been put forth to make good this promise. As a matter of fact, we have not even the political rights that ought to be accorded to labour, and to all citizens. We still have on our statute books legislation by which certain groups of people born outside of Canada are deprived of the right of trial by jury, and other legislation very decidedly limiting freedom of speech, freedom of the press and freedom of assembly. I am not entirely blaming this government; I want to point out conditions as they exist, so, perhaps, I should say in fairness to the government, that one or two efforts have been made to amend the Immigration Act but that these amendments have been rejected by the Senate.

Ninth. Each state should make provision for a system of inspection in which women should take part, in order to ensure the enforcement of the laws and regulations for the protection of the unemployed.

I cannot learn that any action has been taken along this line. Further, this document goes on to say:

1. That the introduction into the government of industry of principles of representation whereby labour and the community, as well as capital, may be represented in industrial control, and their interests safeguarded and promoted in the shaping of industrial policies.

That has not been carried out even in government departments. In the Department of Public Works for instance, and in our other civil service departments, especially the Post Office Department where it would have seemed possible to introduce something along the line of the Whitley Councils, so far that has not been done. I read further:

2. That in so far as may be practicable, having regard for Canada's financial position, an adequate system of insurance against unemployment, sickness, dependence in old age, and other disability which would include old age pensions, widows' pensions and maternity benefits, should be instituted by the federal government in conjunction with the governments of the several provinces; and that on matters pertaining to

industrial and social legislation an effort should be made to overcome any question of jurisdiction between the Dominion and the provinces by effective co-operation between the several governments.

Up to date there has been no provision whatever for unemployment insurance. Last year's committee of this House prepared a report on old age pensions. That report, however, was only presented and was not recommended to this House, and the Speech from the Throne gives no indication whatever that action along this line is contemplated. As to maternity benefits and sickness benefits, these have not even been mooted.

3. The representation of labour on federal commissions pertaining to labour matters.

We might very well have representation, as has been asked for by the Trades and Labour Congress of Canada, on the Industrial Research board and other boards. That seems a very reasonable request.

4. Effective legislation for the conservation of human life and health.

In the past year or so there has been a distinct tendency to cut estimates along these lines rather than to make more abundant provision for the conservation of life and health.

5. The representation of labour on the board of directors of the Canadian National Railways.

I gladly admit that this has been done, and we have the president of the Trades and Labour Congress, one member on the board, representing labour.

6. That the system of re-training soldiers, unfitted for their past work because of physical injuries, be extended to disabled workers in industry.

I have been unable to learn that any steps have been taken to make good this pledge.

7. More effective restriction of Chinese immigration.

In face of this, we had last year the iniquitous regulation—I can call it no other —of permitting Chinese in bond to work on the boats of the British Empire Steel Corporation.

8. The federal incorporation of co-operative associations.

This has been urged again and again. What action the government will take on a resolution in this regard before the House at this session remains to be seen; but when two years ago we in this corner of the House pressed for legislation that would permit of the organization of co-operative banks, it was refused us.

9. The acceptance of the principle of proportional representation.

The government may possibly say that it agrees with the principle. Certainly, it has not put it into practice because we have had that proposed from this side and it has not received government support.

10. Immediate and drastic action by the government with respect to the high cost of living and profiteering.

Perhaps we should hope along this line, for at this fourth session of parliament the Governor General's Speech offers to us the prospect that the government may still continue to consider this matter.

11. Restoration of the control of the executive by parliament, and of parliament by the people through a discontinuance of government by order in council and a just franchise and its exercise under free conditions.

I do not know that we have had government by order in council. I think we have been a good deal freer in that regard than we were during war-time. But I would point out the danger that we may substitute government by commission, because in recent years, not altogether by this government, but by previous governments, there have been erected powerful commissions that are not very directly responsible to this parliament. Further, we have had one or two examples of what might be termed government by department. I think of the case of a man refused entry to this country not in accordance with regulations passed by this parliament, but because of certain regulations decided upon by the then Minister of Immigration. We have had placed before us this charter of Labours Rights by the Liberal Association, and no doubt many labour men have been induced to support the Liberal government because they believed the government would carry out at least some of the provisions contained in this charter. Labour has been patient, perhaps too patient. At this fourth session of parliament we might surely have expected that something would be done. I do not intend here to urge in detail what could be done even under existing circumstances. I should like to suggest to this House, as I have done before, that as we gather together in the comfortable surroundings of this chamber and discuss general principles and statistics, we are very far removed indeed from the great masses of the people of Canada. During the past recess, I have had an opportunity of going across Canada from coast to coast, and I do not find that the people in the east, or the west, or the centre, are very happy. Possibly the Prime Minister and those who accompanied him may have had opportunities of meeting with the well-to-do and those who are profiting by, and comfortable under, existing conditions. I have had an opportunity of coming into very close contact with those who are anything but comfortable or satisfied. I would urge that we

should not, for the sake of mere party advantage, neglect the pressing problems of the hour, nor fail to carry out the principle that underlies one of these clauses of the Liberal platform which I have read—that human values are of infinitely more importance than mere material considerations. We should recognize clearly that the interests of labour and of the common people of the country ought to receive the first consideration. There, it seems to me, is the fundamental question that confronts the people of this country. Everywhere we are told that property must be protected, that the bondholders must be made secure, and so on. The time is coming when the people will rise in their might, not by means of armed strength, for they do not need that in this country, but in the full force of their intelligence, and demand that the governing bodies of this country see to it that their welfare shall receive first attention.

Hon. H. H. STEVENS (Vancouver Centre): I am sure my hon. friend (Mr. Woodsworth) will not consider it amiss if I do not follow his address in detail nor attempt to reply to the various arguments he has made, whether I disagree with him or approve wholly of anything in particular which he has said. I do wish, however, to observe that the hon. gentleman's remarks on this occasion have been very moderate, in large measure reasoned, and in some respects, I think apt and timely. I cannot always follow him in some of his views, nor can I endorse his policies, but we can all agree that he is at all times most earnest in the advocacy of whatever views he happens to hold.

The hon. gentleman somewhat severely arraigned the government for its dereliction of duty in the carrying out of its pledges to labour. I think he has done the government in this regard a slight injustice, which I am sure they will welcome my hastening to rectify. If the hon. gentleman had read carefully the remarks of the Prime Minister (Mr. Mackenzie King), or if he had listened with keener attention to the right hon. gentleman's speech as he delivered it, he might have observed that the Prime Minister does set forth what the government proposes to do for labour. As a matter of fact, it is the only reference to the subject which I can find, and I hasten to give the government full credit for it, even though it is nothing very substantial. The Prime Minister said:

> We have taken steps to improve the labour situation as regards the development of the natural resources by strengthening our immigration programme.

I think my hon. friend (Mr. Woodsworth) ought in justice to the government to give them credit for what they are attempting to do: they are going to cure the unemployment evil and appease the dissatisfaction in regard to short hours, and all that, by bringing in more labour. That is the government's policy, and as far as it goes it deserves recognition. I shall have something to say later on however, concerning the wisdom of this policy.

I followed with a great deal of care and interest the speech of the Prime Minister yesterday. The right hon. gentleman spent, I think, about two hours placing on Hansard long lists of statistics to demonstrate that the conditions in the United States were worse than they are in Canada, in some regards at least. He quoted copiously from Iron Age, Dun's, and Bradstreet's and other periodicals of that kind, including certain government publications. In my opinion the Prime Minister may quote from now until Doomsday without once persuading the people of Canada that conditions here are at all liquid—I am not referring to the province of Quebec but to the whole country. To put it more positively, so far as industrial development is concerned the conditions in this country are stringent and there are difficulties facing the people which they are most anxious to see tackled, with some solution in view. But the present pressing problems apparently are receiving no attention from the government from the practical standpoint of providing such a solution, and the lengthy quotations of the Prime Minister certainly will not convince the people that things are as happy as he tries to make out. I do not intend, however, to follow the Prime Minister's example and quote endless lists of other statistics to disprove what he has said. Rather, I shall endeavour to place before the House certain major problems which I believe the House should consider and which I conceive it to be the first duty of the government to take hold of and if possible remedy, at least so far as they can.

There are three main problems which, I think, should receive consideration and which I shall examine in some detail. These problems are: First, the question of taxation; second, the great problem of transportation; third, the paucity of credit and capital and the alarming depopulation of Canada. I purpose following these questions with some care and I trust I shall be able to offer to the House some suggestions of a practical nature. I am, of course, not so foolish as to suppose that either this government or any individual or group of individuals is capable of at once offering a policy that will remedy all these conditions, but I do think that we should

make a most strenuous effort to provide some adequate solution, a practical solution moreover, and not suggestions that are merely visionary.

Let us take first the question of taxation. I shall refer first of all to some of the contents of the Speech from the Throne and I shall do so in my own language. The government refers to the question of taxation—or rather to put the matter more accurately, it brushes the question aside with the somewhat gloomy comment that the most rigid economy will not solve the problem. Let me offer two observations in that regard. In the first place there is no evidence of rigid economy, and in the second place the government has not tried to apply the principle of economy to the solution of the taxation problem. As a matter of fact they have not sought to solve the problem at all. I am not disputing the statement of the Prime Minister, which has been made by other gentlemen, that taxation is heavy, and necessarily heavy, because of the war and the war debt. That is admitted. We also admit that we must have extensive taxation in Canada to meet the needs of government and of the country. On the other hand, it must be obvious, I think, that the problem of taxation is not merely a question of quantity; the important question is the method of applying the principle of taxation. I want to draw the attention of the government to one or two matters in connection with taxation which I think can readily be met and which at present are working to the detriment of the development and advancement of business in this country. I will not go into any close analysis of the whole situation, but I shall refer to one or two very important facts. Let us take first of all the question of income tax on business, that is to say, the income tax as applied to corporations. All corporations outside partnerships are taxed by the federal government 10½ per cent on their net profits, while, in addition to that, certain provinces impose a further tax. In the case of British Columbia the provincial tax is 9 per cent. So that in that province the total tax on business is 19½ per cent; I am not sure what the tax is in other provinces. Some have no income tax. Manitoba has, and I think Saskatchewan has, though I am not quite certain. At any rate, some of the provinces have an income tax. But this is what I want to bring to the attention of the government; and if the Prime Minister (Mr. Mackenzie King) will give me his attention for a moment I will offer him a problem which I think is worthy of his consideration. We will take a lumber exporter or a fish exporter in British Columbia—I use these for purposes of illustration because I am familiar with them. A Canadian business man in British Columbia buys or sells lumber or fish upon the world market. He pays to the provincial and Dominion governments 19½ per cent in taxes on his net income. The business man in Seattle can send an agent into British Columbia, buy timber in the same market, sell it in the same market, ship it on the same vessel,—and he pays no income tax to this country. I ask the government, which is going to persevere. Which is going to last in his business, the Canadian business man or the American business man? Unquestionably the American. So far as British Columbia is concerned—and mark you, the same thing applies in other sections—one-half of our lumber export business, or nearly so, is being done to-day from the United States, by business men in the United States, and we are not getting a revenue from that business. Furthermore, many Canadian business men are considering the removal of their head offices to Seattle and the operating of their businesses from that point.

Let me give an illustration in connection with the fisheries. Certain Japanese fishery companies export fish from British Columbia. I will name one, a very noted company—one of the largest in the world—Mitsui & Company, with head office in Seattle. A white fishery company, operated by Canadian citizens and with head office in Vancouver has to meet the competition of the Japanese company with headquarters in Seattle. Both handle Canadian fish, on the same markets. The Canadian company pays a 19½ per cent tax, whereas the Japanese company, established in Seattle, gets off free. I use this illustration for the purpose of pointing out a gross inequity in our income tax law. And I am not going to leave it there. What do they do in the Old Country? In the Old Country when an outsider comes in and does business in that way the Tax Commissioner or his agent presents him with an assessment, whether or not he is resident in the district, as representing a foreign firm. The assessment is made without any access to the books of the company, and usually it is made very high, forcing the company's representative to appeal the assessment and then to disclose what his earnings in the country have been. By that process they get the income tax.

Now, I want to point out to the Prime Minister that this is a type of taxation that is steadily driving business out of Canada and will drive more out. And it is a type of

taxation that is capable of being remedied by a very minor amendment to the act. I bring that to the attention of the government and point out that while the Speech from the Throne says that the most rigid economy, and so on, does not solve the problem, the adjustment of these inequities in connection with the administration of the act will aid in the alleviation, of the burden of taxation upon the Canadian people. I shall refer to taxation in a general way a little later.

Let me now turn briefly to transportation. I do not intend to deal at great length with this matter, because we are severely handicapped in that regard. The ministry have the advantage of knowing what they purpose doing in respect to a certain reference made in the Speech from the Throne; we have not that advantage. So far as I am concerned I propose to suspend all criticism, friendly or unfriendly, of the government's proposal until I see the proposal in all its details. But there are certain observations I am justified in making in connection with the government's position on transportation. As regards freight rates, I shall not go into those at great length because the land freight rates question has been very thoroughly threshed out in this House and out of it. But I wish to say to my hon. friends to my left that whatever the Supreme Court of Canada may see fit to do with the Crowsnest pass agreement, whether they restore it or do not restore it, the transportation question so far as freight rates are concerned will not be solved. If they restore the Crowsnest rates on the prairies it simply means continued chaos and confusion in the matter of the freight rates of this country. So far as my province is concerned it means an increase of the gross discrimination which already exists. As to some of the prairie sections and some sections in the east it simply means further discrimination against particular parts of the country. If Canada is to expand and develop there must be found in connection with transportation, as in other lines of public activity, some harmony, some equity.

It will not do for the government simply to say that as the matter is before the courts nothing can be done in regard to the freight rates question. The Prime Minister indicated in his western speeches that he was very much alive to the need of a solution of this question. While he did not say so in express terms or in language that would justify the claim that it should later be given expression to in legislation, yet his remarks on the subject to the people all through the west implied that this government was deeply concerned with the freight rates problem, was seeking a solution of it, and would offer to parliament a solution at the coming session. I want to say to him in all courtesy that the fact that the Supreme court is studying this technical and legal point does not in the slightest degree absolve him and his government from responsibility in the matter.

In regard to ocean rates I have already stated that I am necessarily precluded from offering any criticism or any approval of the government's proposal. I will say that any proposal which will bring about the carrying of the produce of this country to its ultimate market at lower cost than at present will undoubtedly be welcomed by Canada. But when I heard the Prime Minister last night in the closing remarks of his speech—the last fifteen minutes—preface his discussion of this problem with the word "combine", I knew at once that he was simply seeking first to create in the public mind the impression that a combine existed, and then to make the subtle suggestion to the people that he was about to dissolve or dispose of this combine in some way. So far as the north Atlantic freight rates are concerned there is just one point I might suggest to the Prime Minister. It is not a question of combine; it is a question of whether the freights of this country are being carried at a fair cost and a fair rate to those who carry them. I want to remind the Prime Minister that for three years he has had under his control a splendid fleet of ships.

Some hon. MEMBERS: Oh, oh.

Mr. STEVENS: My hon. friends laugh, and what they are laughing at is this, that during the war the cost of producing shipping was higher than it is to-day. That applies to every private shipowner in the world; many of the companies have gone into liquidation and bankruptcy because of that fact. So that will not excuse them for neglecting an opportunity of dealing with this problem. I say they have had under their control a splendid fleet of ships, some of them operating on the Pacific, others operating in different parts of the world. Why is it necessary—I ask this question in reference to this proposal, whatever it may be, and of which we can learn only through the newspapers—to ask the taxpayers of Canada to subsidize a privately owned line when you have ships, a large number of ships and better ships than they have, already in your possession and operating allegedly at a loss? Here we have ten or fifteen ships, or thereabouts, operating in this Atlantic combine to-day. The government have for three years sanctioned, blessed, approved and supported the

membership of their own ships in this combine, and now they come forward and say: The combine is an iniquity; it must be smashed. This combine question is simply something that is reared for the mystification of the public mind: that is all.

My hon. friend the leader of the Progressive party (Mr. Forke) a moment ago referred to the Great Lakes freight bill as not being a success. Not only has it not been a success, but my right hon. leader (Mr. Meighen), some of my colleagues and myself, told the government two years ago when the bill was introduced that it was a farce, a hopeless piece of legislation that could not be enforced. The result was, as my right hon. leader stated yesterday, that a year ago last fall the government went on their knees to Cleveland, Buffalo and Chicago to beg American shipping to come into the lake carrying trade. Last year the government brought down an amendment to that legislation. We told them then that the amendment would not work; we pointed out the weaknesses in it. But they insisted on carrying it through. After wrestling with it for two days the Minister of Trade and Commerce (Mr. Low) went away with some sort of a nervous breakdown, knowing perfectly well that the bill was a piece of abortive legislation, simply an effort to hoodwink my hon. friends to my left, to induce them to believe that the government was looking after their interests. I want to warn the government before they bring down this new legislation respecting ocean freight rates that, in the light of the fact that they have for three years had it in their hands to do without subsidies what they now propose to do with subsidies, we are justified in expecting this new legislation to be more or less abortive.

The great problem in transportation, as far as it can be practically dealt with here, resolves itself into this—the carrying of the major or basic product of the west, wheat, to the seaboard at a lower cost than at present. Why? It is a simple economic problem and ought to be faced. When I say simple, I mean it is a problem simple to see: I do not say it is simple to solve. The problem is this. The wheat of western Canada must compete on the foreign market at Liverpool—Liverpool being the centre—with the wheat of the Argentine, India, Egypt and some other countries, but these in particular. The wheat of the Argentine and Egypt is within a few hundred miles of the seaboard; the wheat of Canada is approximately from one to two thousand miles from the seaboard. How can we give the Canadian farmer a fair, equitable chance to compete with this other wheat? If we can get his wheat to our seaboard at a cost commensurate with that paid by his competitor, he has a fair chance of competing on the world market. How to do that is the problem that this House ought to attempt to solve. Shall it be by absorbing a part of the mileage cost? I think that is a good idea; I think it is worth studying. But the government offer no solution of that problem. They offered nothing last year but an abortive lake rates bill, which after two years of trial and amendments has proven to be useless and a farce.

The other problem is the question of transporting coal and iron from the Maritime provinces to the great consuming centres of Ontario and Quebec, and of transporting the coal from Alberta to those markets. What are the facts? Last year $120,000,000 was sent from Canada to the United States for coal. Yet Canada possesses within her borders, so I am told, upwards of twelve hundred billion tons of known coal. I am told that this is approximately one-half of the known available coal deposits of the world. In Alberta alone there is 17 per cent of the available coal resources of the world, and yet last year we imported $120,000,000 worth of coal from the United States, and the same the year before, and for many years before that. The question Canada must face is this. Is there not some way of using this Canadian coal, and of using our great transportation systems for handling it, and thereby save sending out of this country to the United States $120,000,000 every year for coal? When I say sending it to the United States, that has significance. Why? For fifteen—yes for fifty—years, we have had a strong adverse balance of trade with the United States. For fifteen years our adverse trade balance with the United States has averaged $250,000,000 a year. But the significance of that figure can only be appreciated when you realize that we must export to the United States a very large sum every year to pay interest on the money we borrow from them. We have borrowed from the United States two and one-half billions of dollars for industries, upon which we pay interest. That interest is paid in the export of goods. But when you have an adverse trade balance such as I have mentioned, and built up in the way I have mentioned—whereas as a matter of fact the exact reverse should be the case—if we are to break barely even with the United States we ought to be shipping to them $250,000,000 a year more than we buy from them; that is in order to pay for the goods we buy and to pay the interest on what we borrow. But

exactly the reverse is the case. We ought to correct that situation. It is sound business to tackle that problem. Why does not the government tackle it? The subject has been brought up in the House time after time, but the government have always turned a deaf ear to it; they have offered no suggestion, they have made no effort to meet the problem. We say this great question of transportation applies particularly to coal and iron from the Maritimes, and to coal from Alberta.

There is also in connection with the transportation problem the great waterways scheme. We have heard nothing from the government on this problem. I have no suggestion to make at this time other than this: The people of Canada ought to be and must be adequately and properly protected in whatever negotiations are carried on in connection with the great waterways development. We have in Canada tremendous water-powers, tremendous hydro-electric development and hydro-electric possibilities, but we must be mighty careful not to commit ourselves to our friends to the south in the way of contracts which later on will be construed as a vested right in Canada. That is the problem we are facing. What is the government doing about it? Is it doing anything? We have nothing said about it in the Speech from the Throne; there is not a particle of evidence that there is any interest taken in this great, practical problem by the government. Why, the development of hydro-electric power in Canada will do more to contribute to prosperity throughout the country than any other single thing. And yet this great question does not seem to concern the government at all; no attention is paid to it, no mention of it is made in the Speech.

Let us examine briefly the government's policy. I have here an excerpt from the Prime Minister's speech, and he will forgive me if I do not quote his policy in exactly the words he used, because it is quite lengthy. I have attempted to reduce it to one or two phrases. The government's policy is this: (a) To lower the cost of production. We agree on that. But how is it to be lowered? By removing the duties on instruments of production. Then (b) transportation; (c) markets. This is their programme. Now we take clear-cut issue with the government on this programme so far as we here are concerned. We are not objecting to lowering the cost of transportation; we are not objecting to getting markets for Canada; but we are objecting to the government's methods of doing these things. I want to examine the government's methods. I want to show, as I think I can, that these methods will not solve the problem at all, but rather will accentuate the sufferings and the losses to Canada itself. Let me emphasize what I intend now to say, giving utterance perhaps to an axiom with which all may be familiar:—wealth, the national wealth of a country, is made up of the things that are produced in that country by its people. I am quite aware that some may hasten to interject here that perhaps wealth may be got through trading. I am quite aware of that, but it ought to be apparent to anyone that Canada is not necessarily a trading country, that is, it is not necessarily a country of traders. Take a country like Greece or like Great Britain particularly; its people are essentially and primarily traders. Canada is not in that category at all. But even where a country is a trading country the greater amount of wealth comes out of the working up of the materials possessed by it into their higher degrees of development and production and marketing the products among their fellow men. That is where the maximum of wealth accrues to a nation; and there is no country under the sun to which that principle applies more definitely and clearly than Canada. The Prime Minister, in his speech yesterday, very properly said this: We have great natural wealth, we have great water-powers, we have unlimited coal resources, we have a tremendous mineral deposit, of the extent of which we do not dream, we have vast areas of fertile land to produce food, and we have great fisheries. All these things are perfectly true. These resources constitute a great asset placed in the hands of the government, and of each succeeding government, to be developed in the interest of the people. Now I come back to my principle, that the wealth of this country can be increased and built up. How? It can be increased and built up by taking all these resources co-ordinating them, and producing from them the very best and highest articles we can, to market in the consuming centres of the world.

Now, I want to proceed to analyze that a little more definitely. Canada requires citizen workers; that is the class of people we require in Canada—prosperous, happy, industrious, well paid citizen workers. The leader of the Progressive party this afternoon described Canadian labour as being superior to all other, and I may say that I support him in the statement that Canadian manhood is capable undoubtedly of the best. Certainly we all admit that. But my hon. friend said this further: Canadian labour ought to be able to compete with labour in

all parts of the world. Now that is where we commence to take issue not only with my hon. friends to my left but with the government in their policy. We take issue with them and we say that while we know that, as far as the bone, and brawn and brain is concerned, Canadian labour is equal or superior to that of any other country, it is not fair to ask Canadian labour to compete with the lower standards of living of the labour of Europe. In other words: It is utter nonsense and absolutely incapable of being supported to say that Canadian labour shall compete on an equally free market with the labour of Europe and still maintain a Canadian standard of living. You cannot have it. There is no escape from that position. There is just one of two alternatives and that is this: Either Canadian labour will sink to the level of European labour or you have got to give them some protection. My hon. friends to my left talk very glibly about free trade. The leader of the Progressive party, for example, said a few minutes ago that as far as he was concerned he would wipe out exotic industries. He failed to tell the House what an exotic industry is, and I would ask him to get down to facts: Is the woollen industry an exotic industry?

Mr. MEIGHEN: No answer.

Mr. STEVENS: Would my hon. friend (Mr. Forke) be pleased to answer?

Mr. FORKE: I would not suppose so.

Mr. STEVENS: I did not catch the murmur of my hon. friend.

Mr. FORKE: I would not suppose so.

Mr. STEVENS: My hon. friend says that he would not suppose so. Very good, that is a frank answer. My hon. friend says that he would not suppose the woollen industry is an exotic industry. What are the facts? We told them to the House last year; let us look them frankly in the face. By law—a law supported and enacted, I think, by my hon. friends to my left—the Ontario legislature says to the woollen manufacturer: Pay your help twice what is paid by the woollen manufacturer in England. That is an economic fact; there is no argument about it, it is a fact. The next step is this. Fifty-five per cent of the cost of your woollen goods is labour. What is the third step? The third step is simply this, that by statute you put a 27½ per cent handicap on the Canadian worker. Is that what he is entitled to? Is not the Canadian workman entitled to protection?

Mr. KENNEDY (Glengarry and Stormont): What act of the Ontario legislature declares we must pay the Ontario workmen such a wage?

Mr. STEVENS: The Minimum Wage Act. Under the Minimum Wage Act the minimum wage which is paid a worker in a Canadian woollen mill is double the wage paid by the British woollen manufacturer to operatives in England where there is no minimum wage act.

Mr. KENNEDY (Glengarry and Stormont): Does not my hon. friend know that the Ontario Minimum Wage Act applies only to female labour and not to male labour?

Mr. STEVENS: In that case the situation is so much the worse because in the woollen industry practically all of what we call the lower paid grades is female labour. The same thing applies to the cotton industry and to many other industries. It is very humane legislation which I approve of, which my hon. friends approve of—at least they always say they do—it is a very humane thing, it is a recognition of the necessity of protecting labour. But I want to make this perfectly clear: We stand not for the protection of individual manufacturers, we stand for the protection of manufacturing industry. When I say that, I speak for every man and woman that works in a factory.

Now, let me take a step further in this matter. I remember that Mr. Drury once said before a committee in this House that if he had his way he would wipe out every industry that was not indigenous to the country. It is a case of playing with words—whether an industry is exotic or indigenous. Canada has certain resources capable of development, of utilization, and I want to examine a few of them briefly if I may. First, take pulpwood—and I want to appeal to my hon. friends from Quebec, because they perhaps are more largely affected than any section in Canada. Last year we produced in Canada—speaking roughly, I am not giving the exact figures—4,300,000 cords of pulpwood. Of this quantity 1,337,000 cords went out of the country as cordwood. Another one-third was manufactured into pulp and a further one-third was manufactured into paper. The price received for that pulpwood, putting it into terms of paper, amounted to half a cent per pound; the return for the pulp on the same basis was three cents a pound; the return for the paper and paper goods was approximately six cents a pound. The question we ask ourselves is this: What pays Canada best—selling paper at six cents a pound or selling pulp at half a cent a pound?

I leave that subject now and turn to the case of copper. Eighty-eight per cent of

Canada's copper leaves this country in an unrefined condition; that is, in a condition below the condition of refined copper. A large portion of it goes out in ore, just taken out of the ground, common rock, until the smelting processes are applied; and some of it is copper matte. But 88 per cent of our copper—that is the point—leaves this country in an unrefined condition. The Prime Minister (Mr. Mackenzie King) talks about markets. He says we must have markets. I will give him an opportunity to get a market now. Great Britain purchases the largest quantity of copper of any country in the world. Over 100,000 tons of refined copper per year are purchased in Great Britain. Germany comes second with about 95,000 tons. Where does Great Britain get her copper? She gets a substantial portion of it, I venture to say over fifty per cent, from the United States, 7 per cent from Canada, some from Spain and some from other countries. Germany, by the way, gets 84 per cent of her refined copper from the United States. What are we doing? We ship 88 per cent of our copper production to the United States in an unrefined condition. Is not it the part of wisdom for the government to bring about a co-ordinating of Canadian production with British consumption of copper? Is not that a sound principle? And in this my hon. friends will acquit me at once of talking even tariff. I am not talking tariff but talking simply business sense. Let us get round the table, consider this matter and bring this market to Canada. When I told some of the large consumers in the Old Country a few months ago about the tremendous production of copper they were amazed and they said, "We buy on the general market." Let me point out the iniquity—the tragedy, I might say—of the situation. We ship 88 per cent of our copper to the United States, they receive that copper, they refine it. And they control the refined copper market of the world, largely or substantially with our copper. They add the refining cost and the speculative profit as well, and then it is sold to Germany and Great Britain at the highest peak market price. This is the process that has been followed for thirty years. The Americans get it at a low price. It goes to the American Guggenheim interests, the great American copper trust interests. My right hon. friend the Prime Minister may talk about combines if he likes, but what do the Guggenheims do? They make their bargains with the British Columbia mines and other Canadian mines at the low price. Once they get their contract, up goes the price, and the copper is marketed at their own figures all over the world, one, two, three and five cents profit above the refining cost. Here is a great resource in Canada; let us take the necessary steps to bring that great resource directly to the market in the Mother Country.

Mr. HUGHES: What does the government do to prevent the business men of Great Britain and the business men of Canada from getting together?

Mr. STEVENS: I would not like to say. I want to be kind and charitable. I know of some things which I will criticise before the session is over, but I do not wish to say anything now. I am placing a positive duty on the government. The leader of the Progressives said that the government could give a lead in this matter. I am asking them to give the lead.

Then I take a third illustration, iron and steel. My hon. friend knows something about that or at least he ought to. The iron and steel industries of Canada were languishing last year. I do not see present in the House some members who are more directly interested in this. The chief whip on the government side (Mr. Kyte) is directly interested. However, the Minister of National Defence (Mr. Macdonald) is in his seat, and he knows that what I am saying is true. While the iron and steel industry was languishing in Canada last year we bought $140,000,000 worth of iron and steel products, of which we obtained $128,000,000 from the States. At the same time we had in Canada eleven hundred billion tons of known ore deposits in British Columbia, northern Ontario and the Maritime provinces, the vastest supply of iron ore I think of any country in the world. We bought $140,000,000 worth of iron and steel products. I am not saying that all of these products should be made in Canada, but a very large portion of them should be made in Canada. We bought $128,000,000 worth of iron and steel products from the United States at a figure a little higher than the price of the same products in Great Britain. You ask me, why?—facility—the long distance phone from Toronto to Pittsburg, and easy access to the source of supply made it desirable to pay the little higher price. But—and I am putting this proposition from the standpoint of my friends to my left—suppose that Canada increased her general tariff and left her preferential tariff where it is, we would at least divert some of this business to Great Britain. Is that sound? Great Britain buys about $225,000,000 more from us than we buy from her; for the last fifty years the balance of

purchases has been on the same side. Is it not desirable that we should divert to Great Britain, if we can do so, some of this business of which I have been speaking?

Now I will address myself to my hon. friends to my left. Great Britain last year bought $337,000,000 worth of our agricultural products. She is the best customer you have outside of Canada. I am quite certain and satisfied that our present method of administering this great estate of ours is not in the best interests of Canada, does not conduce to develop Canada's trade and industry as it ought to be developed. Now I want to pass on to another phase of the matter. The Prime Minister last year said: We did a great thing for Canada; we lowered the price of machinery on basic industries. I am going to refer to one case and give an illustration of how it works, and I want you to tell me, if you can, where Canada gets any benefit from it—there are many other things that I could refer to, but I want you to consider this particular case. In Canada we had factories building logging machinery, working up a nice business, employing 250 or 300 men, the best type of labour; I mean that class of labour which is generally paid a wage which is looked upon as a fair and decent one. The employees were well organized and well protected by their organization; they bought Canadian material and Canadian goods. Last year the government took off the duty, and what is the result? The factory is closed, the men are dispersed, I do not know where; many of them have gone to the States. What are these companies doing? They have taken agencies for American machinery; they are acting as agents for American firms to-day. Where does Canada get the benefit in that? Do our people get cheaper machinery? Not a particle.

Mr. MACKENZIE KING: My hon. friend forgets the purpose for which the machinery is used.

Mr. STEVENS: Tell me where anybody gets any advantage. I do not care what it is used for.

Mr. MACKENZIE KING: We do.

Mr. STEVENS: My right hon. friend does not get my point at all. Let me make the point clear to him again. We had these factories building these machines, employing 250 men or thereabouts. To-day these factories are closed and the men are out of the country. These same firms are acting as agents for United States companies, selling American machinery in Canada and Canadians are paying the same prices for it. Nobody can gainsay that. If anybody can tell me where there is an advantage to Canada in that, I should like to hear it.

Mr. DAVIES: If the machinery did not become cheaper, what would cause the factories to close?

Mr. STEVENS: That is a very simple question, and my hon. friend should not have required an answer.

Mr. CRERAR: It is a very pertinent question.

Mr. STEVENS: It is a very simple one and I will answer it. The hon. member knows quite well, if he has given the question any thought at all, that what we are up against in Canada is American competition. You open your market to the American competition; you share your market with them and you have no access into theirs; we are absolutely shut out of their market. How in the world can we expect to compete under conditions of that kind? Let me illustrate this with a very homely illustration. Let us take Bank street running straight through Ottawa. Suppose the stores on one side of Bank street were altogether limited to business on that side, whereas the stores on the other side could deal anywhere they liked; which set of stores would prosper and survive? If my hon. friends will realize this fact and admit it, contrary to the statement of the leader of the Progressive party who a moment ago said that no amount of reasoning would ever persuade them that it was possible to have protection and to be successful in Canada—

Mr. FORKE: On the prairies.

Mr. STEVENS: I have his words here:

> No amount of reasoning will ever convince the prairies in regard to protection.

We have an international boundary 3,000 miles or more in length, from one end of the country to the other, with 108,000,000 people to the south, a huge market for their factories. On the other hand, we have Canada with a comparatively limited market. We open our doors and say to the American manufacturers: Share our market with our factories, but we cannot come into your territory. You cannot live under such conditions. It is all very well for my hon. friends to my left to state frankly, as I admit they do, and honestly, and for my hon. friends opposite inferentially to state, that Canadian

industry, if it cannot survive, can sink. But when you are doing that you are dealing with blood and bone, and with the lives of people. The time has passed when we can look upon these questions from a detached, academic standpoint. This country, we know, is filled with unemployed. There is not in Canada a city of any size that has not its bread line to-day. My right hon. friend (Mr. Mackenzie King) the other day said to the provinces: This is none of our business. My two hundred and fifty fellow citizens who were put out of business by his act last year —what is his answer to them? His answer is: I have nothing to do with you. You may be idle—

Mr. MACKENZIE KING: My hon. friend says that citizens were put out of employment by an act passed by this government last year. I should like him to prove that statement to the House.

Mr. STEVENS: If he will give me Hansard I will show him the discussion on the legislation of last year. He knows the act, the amendment to the Customs Act. I have here a petition which he has received, in connection with the boot and shoe industry. Where is the hon. member for Quebec East, the Minister of Justice (Mr. Lapointe)? Do I strike a sympathetic chord in his heart, I wonder?

Mr. LAPOINTE: Always.

Mr. STEVENS: He has a smile on his face. I should be glad if he would pass a little of that smile over to the Prime Minister. I have in my hand a petition addressed to His Excellency the Governor General in Council, signed by two hundred and some odd workers. The Prime Minister will not be so facetious as to ask me to read the names and addresses. Will he take my word for this?

Mr. MACKENZIE KING: Perhaps my hon. friend would answer this question: How does it happen that in the United States, where protection, which he is defending, is so high, unemployment in the boot and shoe industry is relatively greater than it is in Canada?

Mr. STEVENS: If my right hon. friend expects to draw me off into that endless—

Some hon. MEMBERS: Oh, oh.

Mr. STEVENS: That was a pretty vacant laugh. This is a rather serious question. If the Prime Minister expects to draw me off into an argument on long lists of statistics such as he gave to the House yesterday, he will be disappointed. Let me tell him where the competition is coming from. As regards boots and shoes it is not coming from the United States; it is coming just where the woollen competition is coming from,—from the Old Land and from Germany. We are being forced into competition with conditions of Great Britain and Germany. My hon. friends may say: Well, we must stand by Great Britain. I want to stand by Great Britain; but when I was over there a few months ago, I told some of the people—and I found a great response from many—that it was about time Great Britain put up her own fences and looked after her own interests. Simply because Great Britain, by her big banking institutions, her big carrying institutions, the shipping group, persists in the old free trade fetish, is no reason why we should do so.

To come back to the boot and shoe industry, my right hon. friend tried to draw me off into a discussion of figures of which I have no immediate knowledge and which I cannot give; but I know what is happening in Canada and I am not going into a long dissertation on figures which becloud the issue. My point is this, that as a direct result of the action of the government in the reduction of duties in 1922, 1923 and 1924, Canadian industry has suffered. I have this petition in regard to the boot and shoe industry, from all the boot and shoe workers. Every one is a worker.

Mr. ARCHAMBAULT: Where is it from?

Mr. STEVENS: Vancouver. My right hon. friend has received petitions from other sections. Will the Minister of Justice (Mr. Lapointe) question my presenting this petition?

Mr. LAPOINTE: Yes, to some extent. My hon. friend says it is a result of the changes effected in the tariff last year and the year before.

Mr. STEVENS: In 1922.

Mr. LAPOINTE: Does my hon. friend not remember that many of his friends on the other side of the House said that the boot and shoe industry was not affected at all by the changes in the tariff owing to the Minister of Justice looking after that?

Mr. STEVENS: My hon. friend cannot get away with that, for the simple reason that there was a reduction in the British preference.

Mr. LAPOINTE: Yes, but the leader of the opposition, (Mr. Meighen) and many other hon. gentlemen said that it was so slight as to be of no effect at all.

Mr. MEIGHEN: No, no.

Mr. STEVENS: I am happy that the minister reminds me of this. What we complained of then and what we complain of now is the drift of this government into worse or more dangerous waters still. It was the statement of the Minister of the Interior (Mr. Stewart) that this was the death knell of protection, and of the Minister of Agriculture (Mr. Motherwell) that this was the death knell of protection.

Mr. MOTHERWELL: I never used such a word. Let the hon. gentleman produce it if he can.

Mr. STEVENS: My hon. friend said that they were going on and on until they fulfilled the 1919 platform.

Mr. MOTHERWELL: There is plenty of time yet.

Mr. STEVENS: Where is the death knell of protection now, and where is the 1919 platform? We might ask the Prime Minister: Are they going on? He told them in the west that they were. In that triumphal tour through the prairie provinces and through British Columbia, the Prime Minister, on platform after platform, told them that this policy enunciated a year ago and two years ago was going to be carried on in growing fulfilment. In Toronto he said; no, the time has come to stop; we are going to stabilize this thing.

Mr. MACKENZIE KING: I did not say anything of the kind in Toronto.

Mr. STEVENS: I am wrong, it was in West York.

Mr. MACKENZIE KING: My hon. friend will have lots of time to see how far the government will proceed with its policy.

Mr. STEVENS: The Prime Minister is getting anxious. In West York what he did say was this,—"It is not fair to this government to ask them to go further. Let us pause and see how this is going to work out."

Mr. MACKENZIE KING: "Pause" is right; my hon. friend is quite right in using that word.

Mr. STEVENS: Yes, I am absolutely right, and I am going to show as I proceed just how it is going to work out. But in the meantime, how long shall we pause? How long is this time of uncertainty and anxiety going to last? I am trying to show the Prime Minister the result of his first step. Here are boot and shoe workers, every one of them a decent, honest citizen toiling daily for his bread, and it will not do for my hon. friends either to the left or opposite me to say callously, "Oh, if these industries cannot survive let them go down."

Mr. NEILL: Is it not a fact that it was recorded in the British Columbia papers last year or the year before that Messrs. Leckie Brothers, the biggest manufacturers of boots in Vancouver, proposed to spend a very large sum in enlarging their factory?

Mr. STEVENS: That may be so, and I hope it is.

Some hon. MEMBERS: Oh, oh.

Mr. STEVENS: Why the laughter? Hon. gentleman break out into bursts of ironical laughter simply because some factory in Canada proposed extending its business. What is the offence? I want to see every factory making money so that it can expand; I am sure that everybody wants to see industries making sufficient money to pay labour a decent, living wage. And while I am on that point, let me say that every dollar that industry can save and put into further development is infinitely better spent than if it were taken into the exchequer of the government. Is that a crime? It is the acme of perfection in economic development.

Mr. NEILL: I did not say it was any crime for a factory to undertake developments, but I did think that this might be a place for the 250 idle men to get a job.

Mr. STEVENS: My hon. friend is, without question, the wit of the House, but it is a pretty callous thing for him to suggest with a witticism of that kind, no matter how clever it may be, that this petition is a huge joke and that the answer of the Prime Minister should be; go and look for work in this prospective factory which it is rumoured is to be built in the future. These people are suffering in common with boot and shoe employees throughout the country, and I had no idea of making political capital in referring to the matter; I simply wanted to bring the matter to the attention of the government. It seems, however, that the government is inclined to make political capital of it.

Mr. LAPOINTE: You might open a seat, for instance.

Mr. STEVENS: These workers are in need of protection and they have every right to expect it.

At six o'clock the House took recess.

After Recess

The House resumed at eight o'clock.

Mr. STEVENS: Mr. Speaker, at six o'clock I was examining the government's policy as it relates to the problems at present facing Canada. Frankly, I had hoped to finish before six o'clock, but there are a few more things I desire to say before I conclude.

Before leaving the subject of increasing production, and so forth, and the government's policy of finding markets, it seems to me that there is a most excellent opportunity for the government to find markets. I have pointed out to the government the huge importations of coal and iron and the opportunity of a market for copper which I think is worth most careful study. Indeed, I am convinced that it is not sound business policy for us to continue importing $120,000,000 of coal and $140,000,000 worth of iron and steel products every year while within our own territory we have vast deposits of both these useful materials.

I am sorry the Prime Minister (Mr. Mackenzie King) is not in his seat, because I wished to press home the point with which I was dealing when the House rose, as regards the intention of the government. Last year we were informed by one of the responsible ministers of the crown that it was the intention of the government to pursue the course they were following until they had brought about the death of protection.

Mr. ROBB: Will my hon. friend allow me, before he leaves the coal question—does he advocate an increase of the duty on coal? Is that the argument?

Mr. STEVENS: As far as I am concerned, yes; because I think the Maritime provinces will never have prosperity until they get some definite protection for their interests as regards the production of coal and iron and steel. I am glad the Acting Minister of Finance (Mr. Robb) interjected that question, for this reason—and I am not saying this simply to win a little sympathy or support from the Maritime provinces—I look upon the Maritime province problem as perhaps one of the most serious problems facing Canada. There is the problem of the great prairie provinces; we know of it; they have able representatives here and we have had it debated; it is a problem that has to be faced. The problem of the Maritime provinces has been presented here occasionally, but apparently it has not gripped the attention of the people of Canada as it should. I think their main difficulty is that of getting their basic products, coal and iron and steel, to the great central provinces of Ontario and Quebec, and having a reasonable share in that market.

Mr. ROBB: I just interrupted my hon. friend because, as he represents British Columbia, I wanted to find out if that was the opinion of British Columbia. It has been represented to the government that the duties on coal should not be added to because the United States might retaliate and destroy the market British Columbia now has for coal in the United States.

Mr. NEILL: Hear, hear.

Mr. STEVENS: Well, I am aware of that. my attitude on that question is this—and I will say it for the benefit of my hon. friend from Comox-Alberni (Mr. Neill) who said "hear, hear" a moment ago—so far as Canada is concerned a policy of protection must be a policy which applies from one end of Canada to the other. It is a policy, as I intimated a few moments ago, of protection, not of a few individual manufacturers—which so many seek to imply as our intention,—but a policy that protects the workers in these factories as well as the owners of them. I know perfectly well you cannot apply such a policy at a water level throughout the whole of a country so diversified in interests of this kind, but it should be a policy that serves the interests of the whole country as against the interests of the few. I am quite prepared to stand by the solution of this Maritime province question by a reasonable protection on iron and steel and coal. My hon. friend (Mr. Robb) has mentioned British Columbia. We have—within, I was going to say a stone's throw of Vancouver city, certainly within half a day's journey of it,—millions of tons of iron ore, lying in the mountains, capable of development, contiguous to fine coking coal; yet throughout the whole of our country we have been importing our iron and steel products—and we have quite a market for iron and steel. My point is that the policy of this country must be so framed and so directed as to make it possible and profitable to develop these natural resources and these industries. I hope the government will take notice of that. Proposals are before them at present having regard to the establishment of iron and steel industries in that section.

Mr. HUGHES: Will my hon. friend permit a question?

Mr. STEVENS: Certainly.

Mr. HUGHES: Is an industry that has to be supported continuously by the state, in whole or in part, no matter how that support may be given, no matter what form it takes—is that industry or business an asset or a liability?

Mr. STEVENS: I will answer my hon. friend just as frankly as he asked the question. I consider that an industry established and made prosperous in Canada is a positive asset to the country. I do not agree with the inference in his question—it is only an inference—that the imposition of a customs tax is state support of industry. There is a great deal of difference—

Mr. CRERAR: A species of state socialism.

Mr. STEVENS: Very good; my hon. friend may interpret it as he will. I am not going to let my hon. friends escape from this point: the imposition of that customs duty is necessary to preserve the standard of living in Canada for our people in competition with a lower standard of living, chiefly in Europe and in other countries.

Mr. HUGHES: How about the United States, where the standard is just as high?

Mr. CRERAR: Higher.

Mr. STEVENS: And with a 4,000-mile boundary and a tariff three times as high as ours. In view of these interruptions, Mr. Speaker, I may as well pause to illustrate the point again. I have done it more than once in this House and I am going to insist on getting it through if I can. It is, as I said this afternoon in answer to a similar question, a simple economic problem. The facts are these: In the United States under one hundred and thirty years of more or less protection, but with high protection for at least six decades, they have built up the finest, the most efficient and the most modern machine shop in the world. In addition to that, they have a market of one hundred and ten millions of people. There is mass production. You may ignore these facts, but they are there just the same. Canada, on the other hand, has for years been going along under a comparatively low tariff. A few years ago our tariff was much higher than it is to-day, but for twenty-five or thirty years we have had a comparatively low tariff. Canada has nine millions of people—a sparsely settled country, a small market. Our manufacturers are barred from the United States market, while the manufacturers of that country have not only that one hundred and ten millions of people, but our nine millions too, for their market. Is there any ground of fairness in that competition? I have no hesitancy in stating my position on this question, and it is a policy which I believe this country will accept if it gets a chance.

Mr. GOULD: Never.

Mr. STEVENS: My hon. friend says "never," before I announce what the policy is. That is an echo of his leader's statement this afternoon, when he said that there was no reason discovered or undiscovered that could persuade the prairie provinces to protection. Let me state my policy in regard to competition with the United States. It is this, that Canada ought to have a tariff in regard to American products entering Canada commensurate with the tariff on Canadian products entering the United States. I will explain to the House my reasons for that position: In the first place the unfairness of the competition otherwise; in the second place—and I want my friends to my left to get this—you talk to Uncle Sam in his own language, dollars and cents, and protection, and he will open his eyes and consider whether or not he will give you any advantages in his market. You put a tariff on against the United States, or a general tariff applicable to the United States commensurate with their tariff against us, and I venture to say they will be knocking at our door asking for consideration of favourable treatment, just as other countries have done. Then we can consider the question of an agreement with the United States, just as we have done with France, Italy, Belgium, Norway, Sweden or any other country, but on our terms, not theirs.

Mr. GRAHAM: Would my hon. friend think it rude if I asked him a question?

Mr. STEVENS: Not at all. My hon. friend is the most courteous man in the House.

Mr. GRAHAM: I take a great interest in the question of using our own coal, but here is a difficulty that has arisen, and that does arise. We now in our railways pay 53 cents a ton on coal more than the railways of the United States pay, and we are in competition with them for transcontinental traffic. To that extent our cost of operation exceeds theirs. If we placed a higher duty on coal would not our transportation companies be at a further disadvantage? And would it not add to the cost of transportation to such an extent as to possibly do away with any advantage that might be gained by putting a duty on coal?

Mr. STEVENS: That is one of the problems. I presume my hon. friend is referring to this immediate locality, around Ontario.

Mr. GRAHAM: Central Canada.

Mr. STEVENS: In the first place let me answer my hon. friend in this way: If it costs Canada 53 cents a ton more for her coal, and we can make Nova Scotia prosperous, I would pay the extra 53 cents and make Nova Scotia prosperous. Or if by paying a little more for coal we can develop the immense coal fields in Alberta, develop a great industry there, and have an industrial population that will consume the agricultural products raised by other parts of Canada, it may pay Canada to do it. As a matter of fact, it pays this country or any country situated as we are, to pay for a higher standard of living if we can get the work in this country for our people. A low cost of living is not an indication of prosperity in any country, as any student of economics knows. Every student of economics I think will admit without question that the countries with the highest cost of living and the highest standard of living are usually the countries that are most highly prosperous. I do not want to be misunderstood and have someone come along with the specious argument: Therefore, let us boost the cost of living. For the sake of illustration, take the standard of living in Italy or in Czecho-Slovakia, from which countries we are getting a lot of goods. We cannot expect Canadians to live on the standard that prevails in those countries. I am not going to ask them to; I do not think we should expect our people to live on that standard. But we are asking them to compete with men who are living on that standard, and we have certainly got to face that question in Canada.

What I would have liked to ask the Prime Minister is this, and I wonder whether the Minister of Railways (Mr. Graham) or the Acting Minister of Finance (Mr. Robb), under whose department it more nearly comes, would answer: A year ago they were on the way to the death of protection; the "death knell" had been sounded according to the Minister of the Interior (Mr. Stewart). They were going to carry out to the full the 1919 platform. Is the "death knell" still sounding? Will the Minister of the Interior tell us if it is, or has he muffled the gong of that bell?

Mr. STEWART (Argenteuil): Not at all.

Mr. STEVENS: We have then a declaration from the Minister of the Interior that the "death knell" of protection is still sounding. Will the Acting Minister of Finance say that? He will not. I challenge him to. No, all we get is a smile. Will the Acting Minister of Finance say the government is still persisting in that policy? Where do they stand? This Speech from the Throne does not tell us, and it ought to. Where does the Minister of Railways stand?

Mr. GRAHAM: He sits here; he does not stand.

Mr. STEVENS: I paved the way for this. I said a moment ago that my hon. friend was the most courteous man in the House, and he is. We all honour and revere him. Perhaps he will now do me the courtesy of disclosing whether or not the government is in harmony with the Minister of the Interior in persisting in sounding the death knell of protection. Will he do me that courtesy?

Mr. BOYS: Silence is golden.

Mr. STEVENS: It may seem humorous, but I want to say that this is the key to our whole economic situation in Canada to-day; it is the crux of the whole question, the very pivotal point—whether or not the government of Canada is going to go on reducing the customs duty in this country, or whether it is going to take cognizance of the situation and put on a protective duty sufficient to make Canadian industry thrive? That is the issue. You may be as silent as the tomb in the Speech from the Throne, but that is the issue and you cannot escape it.

My hon. friend the leader of the Progressive party (Mr. Forke) last year officially thanked the government across the floor of this House, for what? For the start they had made towards the abolition of protection on Canadian industry. I do not know what he is saying to-day. He is supporting the government fairly well, but he has not thanked the government particularly for the Prime Minister's speech in York. He did thank them for the Prime Minister's speech in Winnipeg, and in Saskatoon, Regina and Calgary. The Prime Minister said: I am on the same road, going with the same volocity as the Minister of the Interior was last year. We are going straight through on "the death knell of protection." That is what he told them all over the prairies, all over the west. In the constituency of North York—which elected him to this House—did he say the same thing? Oh no, he said: We must pause. We must pause? How long is this government going to pause? How long can the country stand a pause?

My hon. friends opposite know. The Minister of Railways, the Acting Minister of Finance particularly, the Minister of Trade and Commerce (Mr. Low) know. Yes, it is subject for comment what the attitude of the Minister of Trade and Commerce is on the question. Does he agree with the Minister of the Interior? Will he go through on "the death knell of protection," or has Canada turned a corner and are we going back to protection? He said in some of those high-paid ads to which attention has been drawn, that Canada had "turned the corner." We will hope for some declaration from him on this subject.

Now, I want to take another step. Looking at Canada's condition there is one stubborn fact staring us in the face. The net public debt of this country is $178,000,000 greater to-day than it was on December 31, 1921, three years ago, when this government took office. Fifty-one million dollars added to the net debt, $128,000,000 added in the form of guarantees of railway bonds, a net increase to the obligations of this country in three years of $178,000,000, in the face of a policy declaredly for the reduction of customs duties and for the protection of Canadian industries, resulting, as the Acting Minister of Finance knows to his sorrow, in a reduction of—how much? A reduction of $35,000,000 in customs collection or something like that, a tremendous loss in revenue, something that is agitating his mind and worrying him every day and every hour. And well it might. Then I want to tell him that there is no hope for Canada on that course—nothing but chaos and ruin. I do not want to be charged with talking too much blue ruin, but here we have stubborn facts before us: An increase of our debt and a steadily increasing public debt, whereas we ought to be reducing our public debt; taxation increasing as a consequence, revenues falling off, employment falling off, and unemployment increasing. These are the problems facing us.

I wish to refer, perhaps at some little length, to one other problem. The Prime Minister referred to the policy of the government but he wholly overlooked one or two important matters. Last year we heard a great deal about rural credits, we heard something about trying to face this problem of credit in the interest of those who need it in the country—small business men, farmers and others. It was admitted in the Banking and Commerce committee that it was not the business of the banks to cover this field of what you might call long-term credits. The government virtually promised some action on it, but we heard nothing about it in the Speech from the Throne. The hon. member for Centre Winnipeg (Mr. Woodsworth) this afternoon referred to the huge bonded indebtedness of Canada—some $2,000,000,000 of victory bonds alone, added to which are provincial bonds and many others amounting in all to some four and a half billions of dollars. Of this amount, I venture to say that in victory bonds, which are Dominion bonds, to the amount of two billions, are held by Canadians or Canadian companies. What does that mean? First, let me make my position clear. I am not criticising those who bought these bonds; they did it under the impetus of the times and the moment and under the distinct encouragement of parliament and the people of Canada for purposes of war. But where did this money come from? Where was it withdrawn from? It was withdrawn from mortgages, industrials, and loans and stocks of various kinds. Now, it stands to reason that this country is short of working capital when it has frozen in victory bonds some two billions of dollars, and what I want to ask the government is this: How can we liquefy that frozen credit of some two billions of dollars tied up in victory bonds? It may be said at once that we cannot do it, but I think we can. Let me point out the further fact that during the last few years, say the last ten years, the United States has increased its holdings in Canada from something like three hundred or four hundred millions to two and a half billions of dollars, for which we must pay tribute. If it is possible to find some method of liquefying the two billions of dollars' worth of victory bonds held in Canada it would go a long way to solve the problem of rural credits or the financial stringency in this country. My hon. friend (Mr. Woodsworth) who is a radical—he will not criticise me I am sure for using that term, I use it in its ordinary sense—would advocate, and others also, that we repudiate the public debt in probably much the same way, perhaps, as Germany did it, by inflation of currency, or a process of that kind. I am not making any such suggestion but I do believe that, while respecting and observing all our obligations, that it would be possible to have the large insurance companies, the large loan and trust companies, others who are large holders of these bonds, big commercial concerns, and the banks, to get together and see if it is not possible to have these companies function once again as money loaning institutions. Let me illustrate what I mean. Take an insurance company; I am not criticising these companies, I want

to make that perfectly clear; I am merely trying to face a problem which I think is at the root of our money stringency in Canada. Take an insurance company; we will say it has $10,000,000—some of them have over $100,000,000—of victory bonds. Can we provide that by hypothecation the banks from time to time can advance half the value of these bonds to industries, for the development of the country generally? If this were backed up with the expert knowledge and the experience that their officers had in the past, and which I think will be readily available again, then, I believe, there might be released some of this frozen credit. This, I suggest, can be done. I believe it is the duty of the government to face a problem of this kind. It will not do for us to say: These bonds are a debt, they are an obligation, they are tied up, they are frozen, and all we have to do is to pay $140,000,000 a year interest. That does not meet the situation. The government, and parliament as well, is called upon to give this question most intimate study with a view to seeking the release of some of this credit which is at present tied up.

Now, Mr. Speaker, I am not going to detain the House longer. Let me summarize very briefly what I have said, or at least a part of it. I referred to Canada as a great estate. I referred to the duty of the government as the directors and administrators of that estate—parliament being associated with them in the task—to look over the estate and see how we can direct affairs so as to develop it in the best possible manner, so that we can give to the people of Canada a full return from that estate.

One point I had overlooked but of which I desire to make brief mention is this: In connection with the policy of protection it must always be borne in mind that a factory in Canada is worth from four to eighteen times as much to our transportation companies as the importation of goods equal to the product of that factory. For instance, in the case of a ton of manufactured goods imported, it simply supplies a ton of freight to our railways which need freight very badly; but a ton of goods manufactured in Canada means the hauling to that factory of three tons of material of one kind and another, in other words increasing the transportation in Canada four times. That scales up as high as eighteen to one. I am giving utterance to a well-known fact, but I think it should be kept in mind at this time, when we are studying the dual question of the languishing industries and the high cost of transportation, and seeking to meet all the overhead charges and obtain good results. We must bear in mind that for every ton of goods taken out of a factory in this country over four tons of goods are brought into that factory, and you must add to that the value of the labour expended on the production of the goods that enter that factory. I believe there is for Canada one method of resuscitating trade, and that method is to so direct the fiscal policy that we can take the materials afforded by our great natural resources and apply to them our own water power or coal power or steam power, apply all the ingenuity and skill of our people, and then bring them to the highest degree of production possible, so that we can dispose of them in the markets of the world.

[Mr. Stevens.]

Mr. JOHN MILLAR (Qu'Appelle): Before proceeding to make a few brief remarks in this discussion I wish to congratulate the mover and seconder of the reply to the Speech from the Throne on the able manner in which they discharged their duties. The first paragraph in the Speech from the Throne to which I will direct attention is that which states that Canada is making substantial progress. While it may be true that Canada as a whole is making substantial progress, I believe it is a fact that large parts of Canada are not prosperous at the present time. I believe the provinces which are not prosperous are the Maritime provinces and the prairie provinces, and possibly the fruit lands of British Columbia. In the early stages of this parliament, the first session I attended, I felt it my duty to strongly stress the distressing conditions through which our farmers were passing; but the time having arrived it seems to me, when the public is pretty well convinced that there is a problem in that regard which must be met, I feel it is wise not to stress those conditions too strongly, and yet I have a reason for drawing attention to some of those conditions to-night. It seems to me it is well that this parliament should try to make a careful analysis of what is really wrong, and when we have done that we will have taken the first step towards applying a cure. I speak with a more intimate knowledge of the prairie provinces; I do not know so much about the Maritime provinces or British Columbia. Referring to the prairie provinces, I think I may say that the cause of our distress is four-fold. Three of the reasons I will give as follows. First the crop failures, or partial crop failures, due to climatic conditions over which of course the people have no control. Second, of late years, the advantage of having virgin soil free of weeds,

high in fertility and easily worked, which we formerly had over other parts of Canada and of the world, has passed or is rapidly passing. The matters to which I wish to refer are the mistakes, the unsound policy, and I think I may say the blunders sometimes of which this Dominion parliament has been guilty.

Let me go back a little in history. One point to which I wish to refer, but not to dwell on, is that I think a mistake was made in allowing our people to spread, when we were only nine million strong, over half a continent. I do not know who was to blame for it, or if anyone was to blame. A different policy entirely was followed in the United States, perhaps intentionally or perhaps accidentally. But in that country it was not until they possessed some thirty million people that they commenced to extend their settlement into the central and western states. The fact that we are spread over such a considerable area has led to some of our troubles and forced some problems upon us. The first is the railway question. The settlement in the west led to the building of far more trunk lines than we required. A rather false optimism has caused our legislators in times past to build, or permit the building of three transcontinental lines. They are found to be a gigantic burden. I desire to refer to this a little later on because I fear there is another blunder in the offing, and that is one point I want to deal with later. When we consider that one of those transcontinental lines was built to the city of Quebec for the avowed purpose of carrying grain to the port of Quebec, and the rate on that line was so high as to be absolutely prohibitive, it seems to me a queer anomaly. We have had a great deal of discussion about the customs tariff. I will not dwell on that. A great deal of effort has been made to convince the people that all our unemployment and languishing industries have been occasioned by the action of the government in lowering the tariff. I doubt it very much. I would just say in passing that it is rather strange that after we have a high tariff in Canada for upwards of forty years that the condition of our country is as bad as it is, if that proposition is correct. One of the troubles which we have been called upon to deal with is combines and monopolies. The complaint of our people in the west is largely that we are not being treated fairly. I do not want to appear as whining against the conditions under which we must live; but it seems to strike our people as unfair that, when it comes to such matters as freight rates, we are called upon to pay higher rates than the central provinces, and possibly higher than the eastern provinces, simply on the unsound argument that because we have not water transportation we should have higher rates. It seems to me that is all bunkum. I do not think there is anything sound in it at all, and when the railway commission take that attitude it seems to me they are practically saying to the railway, "When you have people in any part of Canada in a tight place, where they cannot help themselves, then go after them; we give you a free hand".

Referring to the matter of interest rates, banks and mortgage companies, we have to depend, in a new country, to a very large extent on these companies to secure capital, and we are forced to pay a higher rate. That is a handicap and it is a big factor in holding back progress in western Canada. It seems to me that the reason that is so is not because it is more expensive to do business there, or that their losses are greater there. It was found when the Home bank went to pieces that their losses were not in the west at all. They had been gathering money there, but their losses were elsewhere. It is a relic, a practice handed down to us from the days when the west was so prosperous because of conditions to which I have referred, because of cheap land, the price of land going up and being rich and conditions being favourable, that it was felt we could stand a higher rate and a higher rate was charged. There has been a great reluctance to bring that rate down and, so far as I can see, that is the only reason why we are being charged a higher rate at the present time.

Let me refer to another mistake. Over-optimism in building railways is only second brother to over-optimism in starting the Welland canal far too soon. We have railways enough for a population of 20,000,000. It is right that the Welland canal should be built, but it was started at least a decade too soon. We have people requiring an expenditure of money, sadly in need of money, and yet a sum amounting to $100,000,000 is going into the Welland canal before we shall get one cent out. That has been going on for some years, and it must, I understand, go on for about four years more before the people of Canada will receive any return outside of the money that is being expended in building the canal. The present time is just when we need that money elsewhere. While that construction work is taking place, the condition of some of our people in the western provinces is distressing through lack of railway facilities. In many places there are railways running side by side for fifty miles, forty miles, or less, a mile, two miles or five

miles apart, and yet at the same time there are districts to the north, south, east and west where farmers have to drive eighteen or twenty miles in order to get their crops to market. Such a district lies to the south of one such point served by two railways. I have travelled over those lines several times and there are places where the railways are not more than a mile apart. Right to the south of that very district where there is duplication of railways, a man lives who wrote this letter. Listen to his words. This might be a little warning to some who have objected to building branch lines and I wish some of our senators were here. He says:

> For myself I do not care which line is built, but for heaven's sake it is time something is done, for if there is no prospect for a railway this summer I am going to dispose of my property and if I get rid of what I have Saskatchewan would not hold me and probably not Canada. I have to team my grain eighteen miles and I have had my share of it. It is high time that the government took the matter in hand and saw that railways were built where districts are already settled.

I should like to make a remark about the Welland canal and the deepening of the St. Lawrence river. By the time the money is fully expended in deepening the St. Lawrence waterway, the St. Lawrence route is opened, and the vision of our grain boats passing from Fort William right through to the Atlantic ocean is realized, the time will have arrived when the bulk of our grain will be going to the Pacific. Whether that is pleasant news to Montreal or not, the trend of the North American continent has been for grain-growing, wheat-growing particularly, to move westward and northward. The time was when Manitoba was the banner wheat-growing province of Canada. It gave place to Saskatchewan, and, although I reside in Saskatchewan, I believe that our sister province of Alberta will see the time when it will be the banner wheat-growing province of Canada. When the Peace river country is opened up, the greatest grain ports are going to be on the Pacific coast. There will come a time later on when the customs barrier between Canada and the United States as regards grain foodstuffs will be brought down, and then will be the time when western Canada particularly will have a harvest. We can supply grain to the grain markets of Minneapolis where they have a capacity of 96,000 barrels a day, cheaper than can any other place in the world, and I am convinced that the time will come when a great deal of our grain will go south. Therefore, while it is wise that we should have sufficient facilities at Montreal and other eastern ports to handle our commerce, in providing facilities for handling the grain of the West we should keep in mind the trend of our grain-growing and shipping business.

I am going to voice frankly some of the causes of dissatisfaction in the west. It strikes the west as very strange that the central provinces have approved the Hudson Bay railway as far as a certain point, until $21,000,000 have been expended there, and then they suddenly felt that it was only a joke; that it was not feasible, and that it was time it should be stopped. I think the central provinces and those who oppose the Hudson Bay railway are making a very grave mistake. It would open up a country that would constitute a market for their manufactured goods; it would bring about a better feeling, and I intend to point out a little later on where that better feeling is very necessary, where greater unity is required, where there is a grave danger of driving the western people into a corner where they will turn.

As regards the project of opening up the St. Lawrence waterways, our engineers tell us that it will cost $252,000,000, to be divided between Canada and the United States, and we know, from past experience, if that is of any value, that the cost will be twice that amount. I have referred to the over-building of railways, to the feverish haste in opening the Welland canal, and I have done so for a purpose, namely, to make this more impressive. I think the climax of an orgy of this sort in spending money for services in advance of population will be reached if our government at once, or in the very near future, plunges into this project of opening up the St. Lawrence route at an enormous expense. The time will come when the St. Lawrence route should be opened, but the eastern provinces or, more correctly, the central provinces, who are urging this, would be very wise if they would stop and consider the wishes of other parts of Canada that are not so well-off, that are passing through very hard times. If they will just have a little patience and wait for eight or ten years, it may be that Canada will then be in a position to open the St. Lawrence route without imposing upon Canada a burden that she cannot carry.

I said that there were four causes for our distress in the prairie provinces. I am going to refer to one that is very seldom touched on and that is inflation and deflation. It seems to me that this has been a large factor. Let me read some words of Abraham Lincoln, that great statesman, in reference not only to the question of inflation and deflation but also regarding the practice of governments

undertaking heavy obligations, as our government did in selling victory bonds and then bringing about deflation. President Lincoln said:

> If a government creates a large debt when there is a certain volume of money in circulation and then contracts the volume of money it is the most heinous crime that government can perpetrate against its people.

I am not going to impute motives to Sir Thomas White or to anyone else in regard to the inflating of money during the war, but I simply state, what is a fact, that money was inflated until the purchasing power of the dollar was only about fifty, sixty or seventy cents and then millions upon millions of dollars' worth of victory bonds were sold, some of them tax-free, while money was cheap. That having been done, suddenly the money was deflated. I was in conversation with a bank official in the year 1920 and he told me that they were not loaning any money; he said, "our government has instructed us that deflation must take place in order to force prices down." I did not realize at the time what that meant, but I do now: it simply means that the people of Canada are compelled to pay millions and millions of a debt in bonds for which those who hold the bonds paid in some cases only fifty or sixty cents in the dollar. In other words, the Canadian people have incurred an enormous debt by means of this system of inflation and deflation which took place in the way I have stated.

There is another side of this question which is still worse, and that is the effect which it has had on the people of Canada not only in the prairie provinces but throughout the country. During a period of four or five years when money was so plentiful the people were encouraged in extravagance; they were encouraged to expand their business, and some borrowed money in large quantities while others bought houses and farms at high prices. Just at the moment when they thought that everything was in a settled condition, when they little realized how soon the change would come, the ground was suddenly cut from under them. What happened at that time reminds one of the practice which prevailed in the early days in catching rats. A barrel was filled almost to the top with something that the rats liked; all that the rat had to do was to climb up to the rim and jump in to get his fill. After the rat had acquired the habit of climbing up and jumping in, automatically as it were, the food was removed and water was put into the barrel in its place, so that when the rat got up to the top of the barrel he jumped into water before he knew what he was doing.

I think it is unfair to bring about arbitrarily a condition of affairs that inspires the people with a false sense of prosperity, and when they have incurred heavy obligations in the belief that a permanent state of prosperity has set in, suddenly bring about a situation that makes it impossible for them to meet those obligations. Logically, one would expect that all prices would be equally forced down by such a process, but this was not the case; the products of the farm went down suddenly because the control of prices was not in the hands of local people. The fact is that the prices of farm products were controlled by the importer in Europe and elsewhere, whereas the prices of commodities which the farmers and other people bought were controlled locally by combines which were more or less hard and fast, or at all events by gentlemen's agreements. The consuming public had been educated into paying ten dollars for a pair of shoes, and it was not difficult by means of these combines for the prices to be kept up, so that one would have to pay ten dollars or fifteen dollars as the case might be for a pair of shoes, and other prices in proportion all along the line. Such a terrible condition was brought about that we saw in this country such peculiar anomalies as this, for example, where the hide from a beef animal would not buy a hame-strap. Let me mention a concrete case. Walking down the street in my own town a few months ago I saw a bay team of horses. Two years ago I purchased that team for fifty dollars, and while they were a little undersized they were very good animals. If I had told the man who was leading them away to take them over to the blacksmith's shop and have them shod it would have cost me from eleven to sixteen dollars for the new shoes. Imagine one buying a team of good young horses for fifty dollars and having to pay from eleven to fifteen or sixteen dollars to get new shoes for them. The hon. member (Mr. Stevens) says that it is absurd to expect people to succeed under certain conditions which he has indicated; but it is not nearly so absurd to expect success in that case as it is to expect people to succeed under the conditions that I have described. And those were the conditions.

I am very doubtful whether it was necessary to borrow as much money as was borrowed during the war years; I think it was a gigantic mistake. When money was so plentiful why was not the war paid for as we went along? Had that been done, it seems

to me that our present troubles might have been avoided to a large extent. We talk of unemployment, but I think that what I am about to quote upsets in part some of the arguments which we heard this afternoon. Arthur Kitson who, I understand, is one of the leading manufacturers of Great Britain and one of the world's highest authorities on monetary subjects, dealing with the subject of unemployment and progress in relation to the countries that were at war, and touching the question of deflation, concludes thus in an article of his published on December 9, 1924:

> It is a significant fact that all the British colonies are suffering the same as the Old Country, and they have all been pursuing the same contraction policy—contraction of currency. On the other hand, France, Belgium and Italy have been enjoying prosperity and have escaped the scourge of unemployment.

I came across a clipping a few days ago from which I learned that the wheels of industry in France are humming, and that there are not sufficient men in that country to keep their machinery going and that they are obliged to import labour in large numbers. I do not pretend to be an authority on the banking question and consequently I do not speak with great assurance on it, but I have studied it enough to feel that it is a great misfortune that deflation took place so suddenly. Had the deflation, if it was necessary, taken place after ten years, say, after some of these victory bonds had been paid off—bonds that were bought with inflated money and which should have been paid off with inflated money also—it would have been much better. I certainly think that the deflation should have been brought about gradually until the gold basis was restored; I do not think that the hardship in that case would have been anything like what it has been.

I shall speak for a few minutes now on some of the features that have tended towards bringing the prairie provinces back to normal. Three years ago we got back what we called the Crowsnest rates. I assure hon. members that the effects were marvellously beneficial to our western people. Every carload of grain going out from there since that time has gone out for about $60 less. I would like the government to know that when they apply remedies that are real remedies the west responds at once. All that is necessary to bring prosperity there, to make the people happy and contented and to enable them to take their places among those who constitute the buying portion of Canada's population. is to apply remedies that will be effective, such as the one to which I refer. By that simple redress, by that change, many farmers have been saved from bankruptcy and others have been driven to it only more gradually.

Another remedy that has been attempted by the present government—and I wish to give them full credit for their part in it; I wish to encourage them to continue in the same direction—is the reduction of the tariff. It was small indeed, but it brought some relief—not very much, but some nevertheless. I do hope the government will follow up that policy. I believe the proper thing for me to do is to continue to press for further reduction in the tariff. It has been suggested by my friends to the right that the manufacturers have not been injured by the reductions; at least I understood it that way. I assure the House that the part of the country to which I belong has certainly benefited by the reductions. That being the case, why not give us a bigger dose? If it helps all round, why not have a little more of it?

There are some other redresses which I think ought to be afforded to us in the west. I have already referred to the high rates of interest on the money we borrow. It may be a difficult matter to deal with, but the government should keep that in mind and should lend their efforts to having these rates reduced. Land rates and water rates are also matters of paramount importance. Perhaps it is not generally understood—well, I will not say it is not generally understood, but I believe it is not always understood—that if we were to go back to the Crowsnest rates on the thirteen commodities covered we would still be paying a higher rate than those applicable to the same commodities in central Canada. When it comes to water rates I do not know that I am so optimistic of success, because I realize that the north Atlantic combine is a gigantic body. But the government should bend every energy to a solution of the problem; they should fight the thing to the end, because the saving of a few cents on a bushel of wheat or of a few dollars on a beef animal means all the difference between success and failure to those who are producing those commodities. Premier Dunning, speaking on this subject, put it this way: "I did not have any profit," he said, "on my farm this year. If I could have got the grain threshed for a little less, or if the freight rate had been a little less, or if the labour had been a little less—any one of these—I would have made a profit." While we cannot at present engage to any considerable extent in

the raising of cattle, if that freight rate question can be solved so that cattle can be carried to the Old Country market at a reasonable price, you will at once see a revival of that industry, and it will become a great industry. We would then be in a position to buy the manufactured goods of the east and any loss that would be sustained by the eastern and central interests would be more than made up by the increase in business.

Let me say a word or two on the immigration question. There are different ideas on the subject. Some would entirely prohibit immigrants from coming to Canada until conditions are better and they would have a better chance to succeed. Others would bring in immigrants as fast as possible, believing that that would make Canada prosperous. I do not think either course is wise; I think either would be a mistake. We need immigrants in Canada, but we need the right sort. To bring in a large number of immigrants might result in figures which, when read in the House, would make a good showing politically, but Canada might be very much worse off. If you look over the reports with respect to the nationality of inmates of gaols, or of hospitals where unmarried mothers go at times, you will find that the percentage of immigrants there is alarmingly high. What does that indicate? It indicates that there has been too much laxity in respect to the admission of immigrants; that the feeble minded, delinquents, and those having defects of various kinds have been admitted when clearly they should not have been allowed entry into Canada. What we need is the best kind of settler. Immigrants should be well selected, and we should get as many of that selected class as possible.

You cannot conclusively say that because an immigrant has $100 he should come in, and because he has not that amount he must stay out. By following a policy of that kind we might keep out such men as James Mitchell of Dahinda, Saskatchewan, a great asset to our province and to Canada. In the British Isles he was a cotton mill operator in 1907; in 1924 he was the wheat king of the world—a romantic story. He was a man with no previous experience of farming, no previous experience in Canada; yet from 1907 to 1924 he sprang to that position. The romantic character of the story is enhanced by the part played by his wife this last year. While Mr. Mitchell was attending the meeting of the Seed Growers' Association at Regina she telephoned to him and said, "It is raining here; what shall I do?" He said, "Cover up the stooks." She covered up enough stooks in the rain to save the bushel of wheat that took the world's prize. We might by any such narrow policy as I have suggested keep out another type of man who is also a great asset. It gives me pleasure to refer to this incident because we do not get many men like this. In a Lethbridge paper recently there appeared an account of the heroism of a Scotch shepherd, by name Jack Ray, employed on the Ray Knight ranch at Brooks, Alberta. Last December he was herding 2,000 sheep when he was caught in a blizzard. With the thermometer fluctuating between 40 and 50 below zero, he drifted for three days and three nights rather than leave the sheep, with no shelter for himself except for an hour or two when he could get something to eat and have a chance to get warm. If we can get that type of men as a foundation stock for our future citizenship it will be well for Canada. There are not many men in Canada or in the world of such fidelity that they would endure what Jack Ray endured on the open range in order to save his flock of sheep. That is the type of man we want as immigrants.

The hon. member for Vancouver Centre (Mr. Stevens) made a remark to which I wish to refer. He said that it was absurd to expect the manufacturers of Canada to compete against the cheap labour of countries on the European continent. Let me point out that because of our advanced methods of farming, because of the greater efficiency of our intelligent labour, the farmers of Canada are able now to compete against the cheap labour of Europe, if you would only give them half a chance. They do not want any favours. Much of the wheat that is being placed on the European markets in competition with ours is grown only three or four hundred miles from the seaboard; much of it is right beside the water; but our wheat must be drawn hundreds and in some cases thousands of miles to the seaboard. But if you will remove our disabilities and give us a fair chance, we can compete against the cheap labour of Europe simply because they are less efficient. If the time comes when they are as efficient and their methods of agriculture become as advanced as ours, then it will be, I admit, absurd; but we can do the very thing now that the hon. member says cannot be done.

In closing, I think it is high time that we should quit haggling about who is to blame for our troubles. Two years ago, speaking in this House, I sounded a gentle warning. I said: Don't drive the west too far. My friends to my right interpreted that as a

threat, but it was not so intended, I assure you. What has taken place since that time two years ago. To-day there is one subject being talked about that attracts interest, and that is the question of secession. I regret that there is any sentiment at all in favour of secession on the prairie provinces. I do not think it should be encouraged at any time, but I would ask you not to underestimate that sentiment. The time was in the history of Great Britain when they ignored the just complaints of the American colonies, and it cost them the colonies. Later, in our early history the time was when the Canadian government ignored the not very unreasonable claims of the half-breeds of the northwest territory, and that caused a war. I hope nothing serious comes of this talk of secession, but I would ask you to draw on your imagination a little and try and understand that there are thousands in a condition that would drive one to almost anything. Just to drive that point home, let me give you a concrete case. Two months ago I was riding on the train and got into conversation with a sheriff. He said, "Recently as I sat in my office an old man came in and said to me, 'Well, sheriff, I guess I have made a sad mess of it.' I asked him what was the matter, and he said, 'My stuff is all seized.'" The sheriff asked him his name, looked up the file, and then went back and asked the old man. "What sort of a crop did you have last year, in 1923?" "Well, sheriff," he said, "I cannot tell you exactly how many acres we cut because it was so poor we did not cut all we sowed. Neither can I tell you how many bushels we threshed because after it was all cut some of it yielded so poor that we did not thresh the rest of it, but I will tell you what I got for it. I got $380 for it all." The sheriff asked him, "How much did it cost you to thresh that?" "It cost me $280," said the old man "and I paid it. The grain was rusty, there was lots of straw, and the thresher would not thresh by the bushel; he must have so much per day. It cost me $280 to thresh that grain for which I got $380." The sheriff asked, "What did you do with the other hundred dollars?" "I gave it to the storekeeper," was the reply, "he had carried me for a year." "What did you live on?" the sheriff asked. "I would not like to tell you what I and my family lived on," said the old man; "I have had a good crop this year, 1924, but it is all seized. Part of my trouble has been caused by an accident I had three years ago, and I have not been able to do a full day's work since then until this year." The result was that the sheriff who was a humane man, and of good common sense, said, "I am not going to allow your creditors to take that crop and sell it at a disadvantage," at what we call street price, which meant that the farmer would not get full value. So the sheriff took possession of the crop and divided it among the creditors, giving each one a little, and leaving the farmer enough to carry on with.

Now that is not a very isolated case. The conditions are bad. Perhaps I am stressing them too much. I know the effect on immigration and on capital, but when I see these cases before my eyes I feel that I should try and persuade this House that the time has come for further redress. As I have tried to show, the west will respond immediately if the remedies are applied. Is there any reason why we could not to a greater degree forget party politics, unite our forces, and bring our best brains to bear on these problems and apply the remedy so quickly that the talk of secession will disappear. I believe it would be a calamity if confederation were to break up. I know that many will pooh-pooh the idea that there is any possibility of such a thing happening, but when you see thousands of people in that condition, when they feel their life's savings are being swept away and they soon will have not a dollar left in the world, and many of them with families, when the sheriff is knocking at the door, can you blame them for taking any way out? Hardly, I think. It is all right for one to shout about loyalty and to feel that Canada is a good place to live in when he is living in a mansion and has everything his heart can desire, but it is another thing when a man is turned out of doors and he and his family have to leave the homestead with the work of years gone for nothing; and that is the situation of many of our people. The country is all right; it is only man that is vile. I would say to the members of the government: Continue and move very fast to give us measures of redress as effectively as you did in lowering the freight rate to the Crowsnest rate. If you give us redress for those grievances I do not think you need worry at all about the west. We will help to solve the unemployment problem; we will employ the men, and the manufacturers of the east whose shops have been closed will be able to reopen their doors.

Mr. HOCKEN: Does the hon. member intend the House to understand that in his judgment there is a serious prospect of the secession of the west from confederation?

Mr. MILLAR: It is very much more serious than the general public appreciate.

Mr. SPENCE: That is a threat.

Mr. MILLAR: No, it is not a threat. My remarks were misunderstood before. There is one other matter I wish to touch on. The manufacturers of the east seem to have experienced a change of heart to some extent. At any rate the hon. member for St. Lawrence-St. George (Mr. Marler), in a speech which he delivered a short time ago, seemed to have modified his views to a certain extent and was inclined, apparently, to hold out a friendly hand to those who differed from him on certain trade questions. The Manufacturers' Association have adopted a somewhat similar course. I would say to the manufacturers that I believe we as farmers—I speak as a farmer as well as a representative of the people in this chamber—will be prepared to meet them half way just as soon as they realize that the manufacturers are sincere in their desire to bring about a better feeling and to co-operate with agriculturists rather than act in a manner antagonistic to them.

There is one way in which the manufacturers can demonstrate their sincerity and it is in the matter of the standardization of machinery. I have here a clipping which I might read to illustrate my point:

Secretary of Commerce Hoover says in the foreword of a booklet entitled "Simplified Practice—what it is and what it offers" issued by the Division of Simplified Practice of the Department of Commerce:

"The necessity of maintaining a high-wage level requires that all processes of manufacture and distribution be reduced to the lowest possible cost. This can be done through the elimination of those wastes arising out of too high a degree of diversification in certain basic products.

"To-day dozens of different sizes, styles, types and patterns of the most commonplace articles are placed in the market by manufacturers who must possess special equipment and skill to produce these endless variations. Merchants accumulate great stocks which turn but slowly because of the excessive diversity and lack of interchangeability in their components. Because of this situation many manufacturers and distributors favour co-operation for simplification and standardization.

"The saving in national effort through such co-operation as demonstrated by many well known examples of simplification and standardization runs into millions of dollars. There is a great area still untouched in which the application of these waste-eliminating measures may well save not millions, but billions. The rate of our advance must be, and will be, in proportion to the extent in which we all co-operate for the elimination of waste."

A farmer who throws aside a binder and buys one of the same make breaks, perhaps, a small wheel. There may be a wheel, scarcely worn on the abandoned binder which he could use, but cannot do so because there is a very, very slight difference in the two wheels. Consequently he is compelled to buy a new wheel. I really believe the failure to adopt standardization is a deliberate policy on the part of the manufacturers. In fact this policy has been carried to such an extreme that in one province it has been found necessary to enact legislation to prevent a machine company selling binders and other machinery for a certain length of time and then withdrawing from the market and taking away the repairs. Such companies, if they sell binders must keep repairs for a given number of years after the binder is withdrawn from the market, thus recognizing that it has been a practice on the part of manufacturers to deal unfairly in this matter with the consumer. Only last fall I was talking to a farmer who had obtained a piece of sheet iron for this threshing machine. I could not give the dimensions but some of you hon. gentlemen who own threshers will understand about the size when I state it was to cover the lower part of the machine. Now it would appear that a sum of ten or fifteen dollars would have been a sufficiently high price and yet it cost this man $28. If the manufacturers are sincere in their desire to bring about a better understanding with the producers of grain and those who are buying their machinery, let them adopt a different attitude in this matter, as well as in respect to some other questions, and we will meet them half way.

Mr. R. K. ANDERSON (Halton): Mr. Speaker, I am somewhat at a disadvantage. I had expected that there would be another speaker from the ranks of hon. gentlemen opposite before my turn came. Seemingly the hon. gentleman in question is not in his place. Not anticipating having to take the floor so soon I have not my notes with me. I would therefore ask permission to move the adjournment of the debate.

Some hon. MEMBERS: No, no.

Mr. GRAHAM: I am shocked at this unpreparedness on the part of my hon. friend. I should have thought he would be able to speak at almost any time during this debate; I thought he was full of the subject.

Mr. HOCKEN: Have you got any speaker over there?

Mr. GRAHAM: We do not have to speak; we are satisfied with conditions. However, I realize the situation my hon. friend finds himself in, although I think he would, perhaps, do better without his notes. As the whips have talked this matter over I think we had better let the hon. gentleman move the adjournment of the debate.

Mr. CALDWELL: If we are ever going to close the session we should not adjourn at such an early hour. I do not think there is sufficient justification for it.

Mr. DEPUTY SPEAKER: May I draw the hon. member's attention to the rule that a motion such as this is not debatable. Shall the motion carry.

Some hon. MEMBERS: No, no.

Mr. CALDWELL: Certainly not.

Mr. GRAHAM: I suppose that to-morrow we can go on with the same business?

Mr. CALDWELL: Will anybody be ready then?

Mr. GRAHAM: That is what I wanted to find out. The hon. member for Halton (Mr. Anderson) assures us that he will be ready to-morrow.

Mr. ANDERSON: I was quite prepared to speak to-night but I understood that an hon. member opposite wanted to speak. Had I known the situation earlier I would have been prepared to go on.

Mr. GRAHAM: We will not regard this as a precedent because we shall have to sit later other nights. However, we will treat this as a special case.

Mr. CALDWELL: Will the government inform us what will happen to-morrow in the event of hon. members not being ready to go on with the debate?

Mr. GRAHAM: I may say that my hon. friend, and every other member who has a motion on the order paper, will have a chance at it to-morrow if we reach Notices of Motion.

Motion (Mr. Anderson) agreed to and debate adjourned.

On motion of Mr. Graham the House adjourned at 9.30 p.m.

Wednesday, February 11, 1925

The House met at three o'clock.

REDISTRIBUTION

Mr. DEPUTY SPEAKER: I have the honour to inform the House that I am in receipt of a communication from the Chief Electoral Officer, Colonel O. M. Biggar, as follows:

Dear Mr. SPEAKER:

I enclose two copies in French and two copies in English of my report of rulings on the subject of the boundaries of electoral districts under section 4 of the Representation Act, passed at the last session of parliament.

Yours faithfully,

O. M. BIGGAR.

REPORTS AND PAPERS

Report of the Department of National Defence for the fiscal year ended March 31, 1924; Militia Service and Air Service.—Hon. Mr. Macdonald.

Report of the Department of National Defence for the fiscal year ended March 31, 1924; Naval Service.—Hon. Mr. Macdonald.

Copies of General Orders, Promotions and Retirements, Canadian Militia.—Hon. Mr. Macdonald.

Annual Report of the Department of the Secretary of State for the fiscal year ended March 31, 1924.—Hon. Mr. Copp.

COPYRIGHT ACT AMENDMENT

Mr. E. R. E. CHEVRIER (Ottawa) moved for leave to introduce Bill No. 2, to amend and make operative certain provisions of the Copyright Act, 1921.

Mr. MEIGHEN: Explain.

Mr. CHEVRIER: This is substantially the same bill as I introduced last year to amend the Copyright Act. There are very slight modifications, but substantially it is the same. The bill was not reached last year because time would not allow of it.

Mr. MACLEAN (York): What is the object of the bill?

Mr. CHEVRIER: The object of the bill is to afford sanctions for certain dispositions which were not contained in the original bill. It is to repeal certain sections of the bill. I do not need to go into it at any length because, as was pointed out last year, the modifications are completely set out in the marginal notes, and in order to give the whole effect of the bill one would have to read all the amendments.

Motion agreed to and bill read the first time.

HOME BANK DEPOSITORS

On the Orders of the Day:

Mr. E. C. ST-PERE (Hochelaga): May I ask the right hon. Prime Minister if the government has any announcement to make with respect to the Home bank depositors?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I expect to be in a

position to make a statement to the House in respect to that matter in a very short time, shortly after the conclusion of the present debate.

THE GOVERNOR GENERAL'S SPEECH

ADDRESS IN REPLY

The House resumed from Tuesday, February 10, consideration of the motion of Sir Eugene Fiset for an Address to His Excellency the Governor General in reply to his Speech at the opening of the session.

Mr. R. K. ANDERSON (Halton): Mr. Speaker, I had no intention of interfering with the government's evident desire to bring this debate to a close when I moved the adjournment of the debate last evening. I wish to thank the hon. Minister of Railways and Canals (Mr. Graham) for his courtesy in allowing the motion to pass. I was somewhat interested to note that the hon. member for Victoria and Carleton (Mr. Caldwell) objected to the motion on the ground I think, that the time of parliament was being wasted. I would like to say that possibly no member takes up more of the time of parliament than the hon. member himself.

Mr. CALDWELL: Wrong again.

Mr. ANDERSON: He occupies more pages of Hansard than many of the ministers of the crown, not excepting the Minister of Railways (Mr. Graham) himself, nor the Minister of Customs (Mr. Bureau), nor the Minister of Marine and Fisheries (Mr. Cardin), nor even the Minister of Agriculture (Mr. Motherwell), who can ramble over the political scenery about as nimbly as any person I know.

Mr. CALDWELL: If the hon. member will permit me, I was not objecting to him speaking; I was objecting because he would not speak.

Mr. ANDERSON: That is not the point. The hon. member objected to the business of the House being held up because I wanted to adjourn the debate.

The Speech from the Throne, if it serves any useful purpose at all, should give a clear and concise statement to parliament of what legislation the government intends to bring down during the session. Such a statement would enable the members of the House to prepare themselves on any subject they wished to discuss, would expedite business, shorten the session, and promote economy. The Speech from the Throne delivered last Thursday meets very few, if any, requirements, excepting that it is a resolution to which hon. members may speak in addressing the House.

The Speech itself requires little comment. Like Old Mother Hubbard's cupboard it is bare. There is scarcely a bone of contention for the members of parliament to scrap over. During the years I have been in the House I have seen nothing like it. It is quite evident the government has reached the end of its resources, but has not the courage to step out. The Speech can scarcely be called an election document, unless its very emptiness presages the dissolution of parliament.

This, Mr. Speaker, is the fourth session of the fourteenth parliament, a parliament marked by several outstanding features, one or two of which I shall discuss.

It marked the appearance in the House of a new party which appealed to the people on a policy supposedly national in its scope but which was dictated only by sectional and class interest. It has given an object lesson to the country of the uses and abuses of the group system in Canadian politics. As the sessions followed each other the utter futility of a multiplicity of groups in the House was clearly demonstrated. The weaknesses of such a system were made the more apparent because the government had not working majority over all and were compelled to depend on the support of one of the opposition groups to keep them in office. This led to bargaining between the government and the Progressive group, with the result that the national interest was sacrificed because of party exigency. The Progressives held the balance between the oldtime parties and used their advantage to bludgeon the government into giving concessions not entirely in the best interest of all Canada. This position was very tersely stated by the hon. member for Lanark (Mr. Preston) last session when he said: "The government—Liberals—hold office but the Progressives hold power."

The experience the country has had during this parliament may be said to be a fair test of the usefulness of a third party. The position was the most favourable for the Progressives to exercise their influence in the national interest; to show a broad conception of the needs of Canada as a whole and advocate reforms in the interest of agriculture, since they could dictate terms to the government. Had the government a clear working majority over all, the situation would have been the same as if only two parties were in the House, and the influence of the Progressives nil. As it was, how did the Progressives fulfil their pledges to the people in

1921 to use their influence in the interests of all classes and all sections of Canada. How did they succeed in giving effect to those policies? One of their first claims was for the creation of a wheat board. The necessary legislation, as a result of the efforts of the best minds in both parties, was passed but it proved a complete fiasco. The act was such a poor one that not a man of outstanding ability in the Dominion, even at a salary of $50,000 per year, could be found to assume responsibility of the measure. The consequence was that hon. gentlemen at my left were compelled to fall back upon the suggestion made by the right hon. leader of the opposition, of a wheat pool, which, I am pleased to know, has been a real success.

Another question which they brought prominently before the people was reciprocity with the United States. That proposition, like many of the others, has gone into the waste paper basket, and seemingly nothing can be done in that direction.

They also requested the government to complete the Hudson Bay railway, but after two or three years have been spent in negotiations nothing has been effected along this line. That, too, remains to be dealt with in the dim and distant future.

They have often given utterance to their free trade proclivities on the floor of this House. A few efforts have been made in that direction by the government. There has been some reduction in customs duties, but the changes have not proved to be in the national interest.

Furthermore, a request was made that the freight rates on the Great Lakes should be controlled. Legislation for this purpose was passed, through the co-operation of both parties, but the act became as great a fiasco as the wheat board statute. The result was practically to make conditions worse than they were before. Consequently, the measure had virtually to be nullified until parliament could either amend it or put it out of existence.

Although the Progressives form a very strong party in this House they have not been able to enforce their views upon the government to any extent, notwithstanding that the ministry regards them with favour. There is a moral which I draw from all this and it is very clear that a class makes a serious blunder when they segregate themselves from other classes and come out as a distinct political entity.

The progress of disintegration is pretty well advanced amongst our Progressive friends. Three distinct groups have emerged as a result of a cleavage of opinions and policies which are as divergent as the individual members themselves, and the real Progressive party is revealed as farmer bloc from the prairie provinces. This group is distinctly a class group wedded to sectionalism. The fourteenth parliament is nearing its end and it has not accomplished anything in the interest of agriculture. Whether because of the blundering of the government or of the impossible nature of the demands. I cannot say, but the fact remains that nothing has been accomplished that could not have been better attained if these gentlemen to my left had retained their old time party allegiance.

A great deal has been heard in this country about blue ruin. On the other hand, the Prime Minister, in particular, has stated that Canada is more prosperous than the United States. That is something the average citizen of Canada finds it very difficult to credit when he realizes that six hundred thousand of his fellow citizens have left this country within the last three years and are now engaged in occupations in the United States. This fact alone constitutes a very strong argument against the claim of the Prime Minister.

I visited the province of Prince Edward Island last summer, and a banker in a small town where I stayed informed me that he had never seen so much American money coming into the place as he had that year. When asked how he accounted for this he replied, "Because so many of our citizens have gone to the United States and located there. Now they are sending this money back to help to support the remainder of their families who are still in Canada." A gentleman said to me the other day and the remark made me smile, that the Prime Minister was a very clever politician. His reason for saying this was that the Prime Minister had brought the Canadian dollar back to par. Well, if the Prime Minister was able to bring back our dollar, why cannot he bring back to this country the six hundred thousand Canadians who have gone to the United States in search of that dollar? Why cannot he bring back the 162,000 Canadian soldiers who have gone there in search of employment? If the process of bringing the Canadian dollar back to par involved losing one of our greatest assets to the United States then it is a very expensive operation.

In spite of all these adverse conditions I must admit that I am a consistent optimist so far as Canada's future is concerned. This country is bound to go ahead and nothing can stop it. The government by its retrograde policies, may delay the wheels of progress for a time, but Canada will over-

come every obstacle and will march forward to the great destiny which the future has in store for her. But to facilitate its progress certain things are necessary. We have large natural resources which must be conserved and developed in the best interests of our citizens. I believe the raw material from those resources should be manufactured into finished products in this Dominion, and that we should devote all our energies to bringing that result about. Those resources belong to the people of this country. They are so multifarious that they lend themeslves to every kind of human effort, and they should be developed as a whole, the one assisting the other. We want to attract to Canada not only money but men who will come here and develop our resources, bring out the wealth that lies hidden here and make it available for our people. Those who have the best right to that wealth are Canadians who pay the taxes and keep the country solvent. It is upon Canadians that we must rely for the payment of our taxation. Our huge debt of two and a half billions of dollars must be paid. The annual interest is large and must be met. In addition a large amount must be raised in order to provide for the national services. There is only one class of people to whom we can appeal to meet this taxation and that is our own citizens. It is the duty of the government to make every effort possible to reduce the burden of taxation. In order to accomplish that desirable result the strictest economy must be practised in every direction. While doing that, the government should see to it that our people are not unduly burdened in paying their fair share of necessary taxation. In the payment of taxation there are comparatively few shirkers; the majority are willing to do their share if they can only earn the money. If they cannot do that they must emigrate to other countries, or become a burden upon the state and a menace to society. The only way to make Canada prosperous is to protect our industries and our agriculturists to such an extent that a profitable home market can be maintained. They must be protected from cheap labour and the depreciated currencies of foreign countries. Our basic industry is agriculture, and it should be developed to its highest perfection, but we should not forget that a prosperous agricultural community depends upon the growth of large industrial centres. Our industries also are dependent upon the prosperity of agriculture. The two should go together, each is dependent upon the other, and both should be developed to a just and equitable degree. The people of the towns buy the product of the farms; the people in the rural sections purchase the articles produced in the towns. By an interchange of this character both industries benefit, and greater wealth is produced and remains in the country. If we want to make Canada prosperous that is the only way to go about it.

There is little need to detail the advantages of the home market. Everyone knows, and few will deny, its superiority over the foreign market. It is easy of access, the returns are quicker, transportation costs are less, the prices offer the greater profit and the demand is steady. Not only that, but the growth of cities and towns increases the value of farm property in their vicinity and improve the living conditions in the country in many ways.

There should be the most friendly relations between rural and urban people since they are dependent upon each other. The farmer buys the product of the industries in our cities and towns and the people of the towns and cities buy the product of his farm; each buying from the other and both growing richer from the interchange since what they sell is the product of labour and is created wealth which remains in the country. This would make us a prosperous and contented people, and the only way to bring it about is to protect our manufacturers and agriculturists by means of the national policy of Sir John A. Macdonald which has already laid the foundation so well that the ultimate objective is almost within our grasp. The foundation so well laid has been undermined by the unwise and ill-considered tariff reductions of the present government to such an extent that the whole fabric of our national structure is threatened with disaster.

We have our fruit growing section in Canada dotted here and there across the continent. They are to be found in the Maritimes, in Ontario and British Columbia, and the fruit produced is the best of its kind to be found in the world. The industry is therefore of national importance and any policy designed to benefit it can be said to be for the benefit of Canada. It is a live industry in which many millions are invested and in which many thousands of our population are engaged and they are heavy tax payers. Fruit is a necessary article of diet for our people and they must have it to keep physically fit to meet the extreme changes in our climate. When the returning sun melts away the snow and frost of winter and warms up our atmosphere to sixty and seventy degrees, a person's being clamours for a more cooling diet than ham and eggs or bully beef. Nature tells us our needs by this craving, and to ignore the voice is

to pay the penalty in disease. This craving must be satisfied and our citizens are willing to pay the price, and do pay it to the Americans, for the fruit that first appears on the market. Nature is wise and provides the fruit at the psychological moment it is needed. Our strawberries come on the market at the proper time for our climatic conditions. Our American cousins need this fruit sooner than we and their climate produces it for them and thus enables them to anticipate our demand by putting their early fruit on our market fully three weeks before our own early fruit is ripe, thus creating an artificial desire in our people. By this means the Americans skim the cream of our prices and cheat the Canadian fruit grower out of his birthright. This should not be and it should be remedied by an increased protection on fruit. The duty should be ad valorem and not specific as now, to meet the situation adequately. I would advocate an ad valorem duty of at least 25 per cent so that the early American fruit would pay a duty in proportion to its price, which is usually about 40 cents per quart, and produce more revenue if the fruit must come in. Just as soon as our native fruit is ripe, competition or supply and demand, regulates the price and does so all the more promptly because the product is perishable. For this industry the home market is essential as the Canadian cannot compete in the American market on account of the increased cost of production due to the following causes:—

(1) The American fruit is two or three weeks earlier and the cream of the prices is gone before our fruit is ready for sale.

(2) The cost of production in Canada is greater on account of climatic conditions. More labour is necessary to protect the plants from the frosts of winter and spring. The grower must provide himself with frame-yard room, sash, and fertilizer, to grow his seeding plants. This is not necessary or as expensive in a warmer climate.

(3) Top dressing with straw, involving time and labour is absolutely essential in this country and not necessary in the United States. The Canadian producer must employ his help longer in the year on account of these extra precautions which add materially to the cost compared with North Carolina and South Carolina, Virginia, Tennessee and New York. This applies to the production of fruit all over Canada and furnishes the reason why our fruit industry requires adequate protection. The same policy for the whole country and not for one section of it to the detriment of other sections.

[Mr. Anderson.]

The canning industry is intimately bound up with the fruit and vegetable industry and a fiscal policy that injures the one, hurts the other. The canners buy the raw material from the producers in their vicinity, give employment to many hands and put the perishable product of the gardener on the market many months after it is picked. But for this industry the gardener would be compelled to produce less or allow his product to rot in the field. There were forty-two canning factories in Canada in 1921 with an output of $16,000,000 annually, and employing 3,000 people and buying the product of 5,000 farmers.

In order to give the discussion somewhat of a home touch, I am going to tell you something about the county I represent, Halton. Agriculture and industry are represented in that county in the same proportion as in the Dominion at large. It is a district fairly representative of the needs of the whole country, and anything that injures Halton will injure the rest of Canada. Mixed farming is carried on to a considerable degree in all parts of the county—fruit growing, cattle raising, dairy products, and so forth. The home market in this country is estimated to consume from eighty to eighty-five per cent of the produce of our farms. It is absolutely essential that these farmers should have their home market.

Mr. CRERAR: In that is included what the farmers themselves and their families consume, of course?

Mr. ANDERSON: I think the farmers must live, and they consume their product.

Mr. CRERAR: It rather knocks the bottom out of your home market argument.

Mr. ANDERSON: I did not catch the last remark of my hon. friend. If a Canadian farmer is going to make a success I do not see why he should not consume some of his own product. I do not know how he is going to maintain himself and family if he does not sell some of his product in order to buy the products of industry and maintain himself in decency. The fruit industry of the county of Halton extends across the whole southern section, and the product is sold in the nearby towns and cities; and anything that injures the cities and towns injures the fruit growing industry of that part of the country. That is their home market and it is absolutely essential that that home market should be preserved for them. If it is not preserved, fruit growing in that county and all other parts of Ontario with which I am acquainted

must languish and die. These market gardeners require protection for reasons which I have already detailed. They require it in order that the fruit growers may have this home market, and the two cents of specific duty at present in force is entirely inadequate for the purpose. There is little use in reducing the duty on the implements they use in their business if they cannot sell their product in the market at a profit. A much more sensible policy would be to allow the duty to remain on their implements and to leave them a market in which they can sell all they produce at a fair profit. Those implements could be manufactured in Canada and the manufacture of them would assist in maintaining a home market for the producers. Those things must go together, and if we are really interested in the welfare of this country, every member of this House must consider these questions seriously. A fiscal policy which shuts down our factories and drives our artisans and labourers across the border does away with the very market upon which the market gardeners depend, the consequence being that not only the cities and towns, but the country districts as well are injured.

During 1924, we imported from the United States fresh fruits to the value of $5,000,000 and fresh vegetables to the value of $2,500,000, making a total of $7,500,000 of these two products alone coming into this country from the United States to displace an equal quantity of the products of our own market gardeners. I can say with much confidence that if that money had gone into the pockets of our market gardeners, if their produce instead of American produce had been bought, no fruit and vegetables would have been rotting in the fields of our market gardeners during the last year. That money goes into the pockets of the American to help him to flourish, while our people find it barely possible to make ends meet.

During 1923 we imported over 6,000,000 pounds of strawberries valued at $785,150, and in 1924 over 5,000,000 pounds valued at $740,699, which was bought by the Canadian people at higher prices than the Canadian market gardener received for his produce. The quantities of some of these small fruits imported into Canada are as follows:

Small Fruits—Imports into Canada

	1923	1924
Strawberries	6,122,000 lbs.	5,014,000 lbs.
Grapes	6,836,000 "	10,469,000 "
Pears	15,267,000 "	17,864,000 "
Peaches	10,825,000 "	13,405,000 "
Plums	111,000 bus.	140,000 bus.

We imported from the United States vegetables, exclusive of potatoes and tomatoes, in 1923, $1,676,000 worth, and in 1924, $2,000,000 worth. During those two years, nine million Canadians imported from the United States $16,000,000 worth of small fruits and vegetables, while the United States with a population of 113,000,000 took from us in small fruits and vegetables of the same kind $1,287,000 worth. The American does not reciprocate very generously in the matter of fruit. He buys from us to the extent of about ten cents per head of population while the Canadian reciprocates by buying from him to the extent of $1.60 per head, or sixteen times as much. This generosity is on the wrong side of the ledger and it is time that we called a halt. Surely nine million Canadians, living in a country which produces in abundance fruits and vegetables of a quality that cannot be excelled, should have a home market protected sufficiently that the Canadians themselves would eat their home product.

I excluded the item of potatoes from the previous list because it represents a unique situation. In 1924, we imported 24,867,000 pounds of potatoes, mostly from the United States, for which we paid $576,664; and we exported in the same year 181,800, 000 pounds for which we received $2,856,000. We paid the Americans 2.3 cents per pound for the potatoes we bought from them, and we sold our own potatoes for 1.1 cents per pound, or just about half as much. This quantity of potatoes coming in from the United States displaces just that much from our home market and cheats the Canadian farmer out of that much in price. The same thing is done every year. In 1923, we imported 21,050,000 pounds of American potatoes and sold in the English market 167,785,000 pounds, with the Canadian producer accepting a lower price. Similar statements can be made in regard to almost all our products. And at the same time the American is practically refusing to buy from us.

We imported vegetables in 1923, paying therefor $4,904,734, and in 1924, $5,479,700 worth, four-fifths of them being from the United States, and in the same years we exported $3,229,320 and $4,906,825 worth respectively, the imported articles displacing almost an equal amount of the Canadian product and forcing it to an outside market at a loss to the Canadian producer.

Our trade in canned vegetables furnishes another example of loss on this exchange of our products. Imports of canned vegetables, nearly all from the United States, were, in 1923, 7,890,537 pounds, costing $806,286, or 10.2 cents per pound; and in 1924, 9,270,126 pounds costing $925,449 or 10.4 cents per

pound. The total exports in the same years were: 1923, 11,033,107 pounds valued at $841,401, or 7.6 cents per pound, and in 1924, 16,606,115 pounds valued at $1,193,450, or 7.2 cents per pound; 3,650,000 pounds and 4,340,000 pounds respectively going to the United States. Thus it will be seen again that we imported vegetable products in 1923 and 1924 respectively, mostly from the United States, at 10.2 cents per pound and 10.6 cents per pound, and exported our own at 7.6 cents and 7.2 cents per pound, with a heavy loss to the Canadian market gardener. We imported canned vegetables from the United States in these two years amounting to approximately 12,000,000 pounds averaging 10.3 cents per pound, and we sold them back 8,000,000 pounds at 7.4 cents per pound. This makes a huge loss to our market gardeners and is rather a high price to pay for the privilege of enjoying the American market. On this exchange the American is ahead of the game some $360,000, and on the total imports and exports for the two years of fruit and vegetables, the loss to Canada was $510,000. And this is duplicated year after year.

The farmers of Canada are interested somewhat in pork. We raise about 20,000 hogs annually in Halton and they must find a market. During the years ending February, 1923 and 1924 respectively, we imported from the United States pork products as follows:

Pork Products—Imports into Canada from the United States

	1923		1924	
	Pounds	Value	Pounds	Value
Bacon and Hams	4,560,187	$ 670,976	6,652,399	$ 818,976
Fresh pork	35,035,192	5,495,129	21,135,387	2,699,364
Pork in brine	12,246,671	1,331,611	9,611,282	1,023,197
Totals	51,850,050	$7,497,706	37,499,068	$4,541,157

In the same years we exported, mostly to England:

	1923		1924	
	Pounds	Value	Pounds	Value
Bacon and Hams	101,830,400	$23,011,923 or 22½ cents a pound	96,108,800	$17,651,133 or 18.4 cents a pound

The point about this particular item is that it is hardly known how much of the American pork—which is cheaper than the pork produced in Canada inasmuch as it is corn-fed whereas the Canadian product is hard grain-fed,—is imported here and re-exported to England to compete there with Canadian pork. I am told that this American pork that comes here is re-cured to the extent of being smoked and dried, after which the hams and the bacon are sent to England in competition with Canadian produced pork. I am informed by the Department of Agriculture that the American pork is marked as such, and while I do not know to what extent it affects the market, the fact remains that it comes into Canada and is shipped out again through Canadian ports to compete with the Canadian product, and is sent abroad by Canadian exporters.

The dairy industry is an important one and one in which our farmers are very greatly interested. There are 3,072 plants in Canada employing 10,394 persons and paying an annual wage of $8,500,000. The raw material used amounts to $77,000,000 per annum while the manufactured product is worth $100,000,000 per annum. This applies particularly to the creameries and cheese factories in the country and does not include the dairy products of the farm; it does not include dairy butter but simply creamery butter and cheese from the various factories. Every province is interested in this industry, which is growing throughout the whole country, and the prairie provinces are stimulating production in this particular direction. Our imports of butter have declined considerably during the last two years and I have the figures which have been compiled by the Department of Trade and Commerce in regard to this item. In the year 1923 we imported 3,767,000 pounds of butter for which we paid 38½ cents per pound, while we exported 21,994,000 pounds for which we received 37½ cents per pound, or a loss of 1 cent per pound to the Canadian producer. In 1924 our exports totalled 1,558,000 pounds for which we paid at the rate of 38½ cents per pound, while our exports totalled 13,648,000 pounds for which we received at the rate of 37¼ cents, representing a loss to the Canadian producer of 1¼ cents per pound.

Cheese furnishes another example of loss from imports, although this product varies in price, according to quality, much more than butter. It is difficult to know to what extent our Canadian producer gets the worst of the deal. Our imports and exports of this article for the years 1923 and 1924, with the respective prices per pound which we paid and received, will be seen in the following table:

1923	
Imports	Exports
916,000 lbs.	114,548,000 lbs,
$327,000	$20,528,000
34 cents lb.	19 cents lb.
1924	
Imports	Exports
1,688,000 lbs.	116,777,000 lbs.
$541,000	$23,426,000
32 cents lb.	20 cents lb.

Canada produces 135,000,000 pounds of cheese annually, the greater part of which finds a foreign market, largely in the United Kingdom.The imports and exports of cheese to the United States for the years 1923 and 1924, according to the returns of the Department of Trade and Commerce for the year 1924, known as the Condensed Preliminary Report, were as follows: In 1923, we imported 614,872 pounds, for which we paid at the rate of 29.1 cents per pound, and exported 5,902,000 for which we received 16.6 cents per pound, or a difference of some 12 cents per pound against the Canadian producer. These products may differ in quality and variety; it is difficult to say, and I could not get at the exact facts. In 1924 our imports totalled 592,196 pounds for which we paid at the rate of 30½ cents per pound, while our exports amounted to 3,347,000 pounds for which we received at the rate of 17.6 cents per pound, or a loss of about 12½ cents per pound to the Canadian producer. These exchanges were with the United States and they show a balance against the Canadian producer very much the same as in the case of the vegetables which he had to sell.

As I have already said, the county of Halton is represented in industry and agriculture in the same proportion as the Dominion at large. The industries of Halton in 1920 numbered 143, having a capital invested of approximately $8,000,000, and paying $1,517,000 annually in wages and using $4,610,000 of raw material which was manufactured into the finished products valued at $8,500,000. None of these industries is large or has a great amount of capital invested, but their maintenance and prosperity is vital to the people of that county. If they should shut their doors and close their plants, fully 4,000 people in the towns would be in want and distress. Not only that, but in a short time half the population of the county would be seriously affected and a little later the whole county. Every constituency in Ontario, and for that matter in the Dominion, is situated similarly to Halton and would be affected in the same way just in proportion to the number of industries and employees. The effect of this lack of business in our manufacturing plants falls first and most heavily on the workingman and his family; then it spreads to the merchants and professional men and other classes until it affects every person in the community, and finally the municipal corporation itself; the artisan limits his purchases to the direst necessities, there is less money in circulation, business stagnates, and a feeling of pessimism and unrest pervades the community.

The industries of Halton require protection to enable them to attain their fullest development and to give continuous employment at fair wages to the working class. It is exceedingly discouraging to a thrifty, energetic workingman, who owns a home and has a family, to be out of employment from three to six months in the year and to find himself unable to better his financial condition from year to year. Yet that is exactly the condition we find to-day: he can get only part-time employment at reduced wages just sufficient to provide him with the bare necessities of life. Most of the industries in the county are carrying on at a loss for the sake of keeping the men in hand in the hope of a revival in business. This condition has increased with each reduction of the tariff until the limit has been reached beyond which it cannot go without closing most of the industries. When you consider that over 1,300 factories have closed their doors within the last two years, the management of those in Halton must have been sound to have kept them solvent at all. But this cannot go on indefinitely without ending in industrial failure and economic disaster for the whole county. The only bright spot on the industrial horizon, and one that gives a gleam of hope, is the fact that this parliamentary term is nearing its close and the people will have an opportunity to name the present government's successors.

Brick is manufactured in Halton in large quantities and it is the best building brick in America. It is shipped all over Canada and the demand for it has been steady. While it has not been affected by reduction in the tariff, the general business stagnation and slump in building operations, occasioned by the vacillating fiscal policy of the present government, has lessened the demand and caused cancellation of orders resulting in lessened operations and unemployment.

Our knitted woollen industry has been seriously affected by the increase of the British preference. The imports of the socks and stockings have steadily increased since 1922 and the increase will steadily grow as the market becomes better known to the British

exporter. The following is a table of the imports of knitted woollen goods:

Socks and Stockings imported in 1922, 286,167 doz. prs.
Socks and Stockings imported in 1923, 606,867 doz. prs.
Socks and Stockings imported in 1924, 640,880 doz. prs.

—an increase of considerably over 100 per cent in two years after the increase in preference was made.

Preference for trade within the empire is to be desired and such trade should be encouraged; but there is a limit beyond which it cannot go without doing serious and irreparable damage to our own industries. It was never contemplated that it should go to that extent. Our total imports of knitted and woollen goods, yarns and raw wool in 1923 were $45,734,000, and in 1924 they amounted to $47,318,000 in value. These can all be produced in Canada, and only a little fostering care is needed to bring it about. Forty-seven million dollars is a large sum, and the production of that large amount of goods annually would go a long way in keeping our people from emigrating to the United States in search of employment.

Our paper industry furnishes an example of a mistaken policy with regard to our raw material and to the encouragement of the industry in Canada. Our mills are in good financial condition and make a superior article, but they are compelled to meet a steady competition from the large mills in the United States. Our imports of paper were:

1922..	$7,900,000
1923..	8,400,000
1924..	$9,300,000

There has been a steady increase in the imports of this commodity, seven-eighths of it from the United States, which should be made at home giving employment to Canadians and retaining the money in Canada. Our own pulpwood cut is depleting our supply at a rapid rate. Our pulpwood is being shipped into the United States and sold to the Americans at a low price, and manufactured there, giving employment to their working men and building up markets for their farmers. The finished product is shipped back and sold to Canadian consumers at a high price, the gold going back to the States to swell their already immense hoard. An embargo on the exportation of pulpwood might result in reprisals from the United States, but we have suffered reprisals from the United States before, and it is high time that we met this situation by increasing our duties and making our tariff barriers equal to theirs. Unmanufactured leather is imported almost altogether from the United States, only a small quantity coming from the United Kingdom. Our annual imports in 1924 amounted to $4,170,628. This is quite a large amount for a population of nine millions. The large and wealthy tanneries of the United States manufacture this leather in large quantities at a lesser cost than that at which our smaller plants are able to turn out this commodity, and the competition is a serious factor to the industry in Canada. We have two long-established leather industries in the county of Halton, employing a large number of hands and operating extensive and valuable plants. They are both important factors in the growth and prosperity of the towns where they are located, and anything that injures them is of serious consequence to their community. One of these plants has closed down, and quite a large number of hands are out of employment, with the consequent depression of local business that is bound to ensue when a big weekly payment of wages is suddenly stopped.

Our steel industry, producing screws, bolts, nuts, washers, and so forth, has been hard hit by the recent abolition of the duty on farm implements and the raw material used in their manufacture. Wages were reduced and the working staff cut down to the lowest possible limit to keep the factories going at all. Our economic condition is fairly well put by Mr. J. R. Shaw of the Canadian Manufacturers' Association, who in the course of an address before the National Conference in Ottawa on September 3 and 4, 1924, which will be found in the report issued under the direction of the Minister of Labour, said:

> What is the chief cause of unemployment? It is by reason of the fact that our factories are by no means fully employed. Over one thousand of them have been shut down during the past two years, and a great number of those remaining are only running part time.

A similar condition exists in the county of Halton.

Now, Mr. Speaker, I have no doubt that you have arrived at the conclusion that I am a protectionist. I believe in the principle of protection as applied to our economic structure by means of an adequate scale of tariff duties which will ensure the home market to Canadian institutions. I would apply it to all classes and all sections of Canada, giving due consideration to the needs of the people. I would not have it so high as to shut out competition from other countries, but just high enough to ensure the home market to our producers and protect them from the cheap labour and depreciated currencies of European countries. A young country like Canada, with a sparse population and great natural re-

sources, needs to practice every art possible to attract to herself the men and the money necessary to develop those resources and make our natural wealth available for our people. Those who have the first claim on this wealth and on our home market are the people who pay the taxes which keep the country solvent. Protection has become almost universal to-day. All countries have set up tariff barriers against their neighbours, even England being all but convinced that free trade is no longer a panacea for her troubles, and recent events leave little doubt that she will eventually turn to protection. In a world of protection where would a young country like Canada be under free trade? A lone country unprotected by a tariff, we would be a prey for every marauder, the dumping ground for the surplus and refuse products of every land. We might get cheaper goods, but they would be of inferior quality and payment would be demanded in gold. We could not demand that payment should be taken in kind because we should have given away our bargaining power —our market would be already free. There would be no need of the Minister of Trade and Commerce (Mr. Low) going to Italy, France or Belgium to make trade agreements if we adopted free trade, for he would be laughed out of those countries. They would tell him, "You have nothing to give; we have your markets already, and that is all we want." No, Mr. Speaker, free trade may be very plausible in theory, but it is utterly impossible in practice. The same may be said of the Prime Minister's policy of freer trade, or tariff for revenue, which is merely an indirect way of talking free trade. Such a policy would need to be universal, and even then it would be of doubtful utility to Canada unless humanity lived as one nation.

The present trend of the whole world is towards protection. Even England has her Safeguarding of Industries Act, passed since the war, which protects a long list of articles made in that country. Mr. Baldwin went so far as to appeal to the people of Great Britain on the question of protection, showing that the policy is gaining ground there to a marked degree. His defeat on that occasion was not so much due to his policy as to the suddenness with which he sprung it upon the electorate. The slow-moving English people could not be turned from a life-long habit in a six weeks' campaign.

Seventy-five countries have raised their tariffs since the war, showing that there is some real necessity behind this general movement toward protection. Is it because they are compelled to do so to meet the demand for increased revenue to pay war indebtedness? If so, why did they not adopt the policy of the Prime Minister, of freer trade or tariff for revenue, or the policy of the hon. member for Marquette (Mr. Crerar) and put a tax on land or make a capital levy to pay the war debt? Why did they not increase their excess profits tax, income tax, sales tax and stamp taxes, to meet increased expenditure and lower their tariff? Why?—because the people did not have the money to pay these taxes and were not in a position to compete with the outside world with their industries crushed and ruined by the war. The government could not collect a land tax from the landowners who were penniless. There was no capital on which to levy. There was no business to create income; none to pay sales taxes and stamp taxes. Consequently the governments turned to the other expedient and raised the tariff in order to stimulate home production so as to create wealth by labour in their own countries. They raised the tariff to build up their home industries, to protect their farmers in their own market, to give employment to their labourers and develop and conserve their natural resources so they might be available for revenue to meet the national needs.

The United States adopted this policy and have an almost prohibitive tariff—the highest in their history—and whether as a consequence or not, they are enjoying prosperity and great business activities while Canada, having adopted the opposite course of a lowered tariff, is suffering depression, business stagnation and loss of her people by emigration. Canada has had three reductions of her tariff in as many years, and substantial ones too in 1922, 1923 and 1924, and each one has been followed by a larger stream of emigrants to the United States until a conservative estimate is given that half a million of our artisans and labourers have crossed the border in search of employment. It is claimed that many of these have returned and are returning. I have met a few of them myself, but they are only returning to settle up their affairs here, and then move with their families across the border. Not only has the United States raised her tariff to a prohibitive extent, but she has lessened her importations and increased her exportations since 1921. She has done that to such an extent that she has cornered almost sixty per cent of the world's supply of gold. It is locked up in her treasury, and only time and experience will prove whether it is to her advantage or not. Economists say it will be her ruin, but speaking as an individual, I doubt it.

Under this extremely high protection the United States has been able to reduce her taxation in many ways, and has paid off huge sums from her war debt. President Coolidge in his address to congress stated that since 1919 the United States has paid off something over five billion dollars, amounting to one-fifth of the total national debt of the United States, and that since 1921 they had cut their taxation in two. That is a great achievement for that people under a high protective policy. Canada has followed the opposite course of lowered tariff, and our annual budget has not been balanced, our debt is increasing, taxation is mounting, business depression is rampant, our people are emigrating, unemployment is large and immigrants cannot be got even at a price. A country with Canada's richness and variety of resources, inhabited by a sturdy people in the north temperate zone, is bound to become a great manufacturing nation. It is also equally evident that we have the potentialities for becoming a great agricultural country, and the two make a complete combination for natural greatness. We have the raw material for almost any kind of industry to be turned into the finished products which will give employment to an immense army of artisans, who, in turn, will furnish a market for our agricultural products. All we need is the determination to press forward in the path we have followed during the last forty years, stimulate the development of these natural resources we have in such profusion, turn the raw material into the finished product, foster and encourage our basic industry of agriculture, protect the home market for both industry and agriculture, and trade with those countries that are willing to trade with us, especially those within the Empire.

Mr. PIUS MICHAUD (Restigouche and Madawaska): Mr. Speaker, it was a pleasure to me to follow very attentively the speeches delivered by the mover (Sir Eugene Fiset) and the seconder (Mr. Hanna) of the Address. It has always been my duty since I have been in this House to listen very attentively to the well prepared and well delivered speeches of the proposer and the seconder of the Address, and to both the hon. gentlemen to whom the task fell on this occasion I beg to offer my congratulations. I think each of these members is an acquisition to the House. One, the hon. member for Rimouski (Sir Eugene Fiset), has given us the benefit of his experience in the administration of the affairs of the country, and my hon. friend from West Hastings (Mr. Hanna) has given us the benefit of his experience in business.

[Mr. Anderson.]

We had a few by-elections in the year 1924, and I am glad to say that the results have shown that our policy has been thought a wise one and good for the country. The people all through Canada, and especially the electors of the county of West Hastings, in the old province of Ontario, have approved of the policy of the present government of reducing the tariff at the last session.

Mr. Speaker, our friends to your immediate left in 1921 adopted a new name for their party. They added to an already long name the word "National." That was added to the words Liberal-Conservative, no doubt because they thought the word "National" would harmonize with the words "National Policy," and would carry them to victory at the polls that year. But the result of the election was that only fifty members of that old historic party came back to this House. Not very long ago, I understand, our friends who are devoted to a protective tariff could not bear even the good name of Liberal, and they tried to bury that too. At the particular meeting at which this matter was discussed, if I am well informed, the name of Sir John Macdonald was mentioned, in this way; it was said that with the good old label of Liberal-Conservative Sir John Macdonald had carried his party to victory on many an occasion. The name of Sir Charles Tupper was also mentioned, and the name of Sir John Thompson. The latest reports we have are that the name National is now buried, also the word Liberal, and only the word Conservative, which sounds like Toryism, remains and is the best word for our high-protectionist friends. But, Mr. Speaker, if we are to judge by the results of the last few by-elections, I do not think any name can help that party very much in the future, for some time at least.

We have a large debt to meet in this country. The war imposed heavy obligations upon us. Our soldiers, and the widows and orphans of those who fell in the war have to be looked after; the interest on our debt has to be paid. And I ask myself, and I ask this House: Are we going to be able to meet all our obligations? For my part I can see only one or two means of salvation for us, and those are economy, the further development of our natural resources, and better transportation facilities. During the war we made lots of money, through production and labour and so forth, and the people of this country contracted the habit of spending freely what they were earning, and gave very little thought to the obligations we had to meet in the future. If we are to meet these great obligations, we shall have to be very careful.

We have assets which, if care is taken, will pay double and triple the amount of our debt. What are those assets? They are our farms, our fisheries, our mines and our forests. I had occasion during the last session to call the attention of the House to the necessity of the preservation of our forests. I pointed out then that we had to be very careful to co-operate with the provinces in order to protect our forests. We have been successful in that respect to a certain extent. As far as our fisheries are concerned, unfortunately we were blocked by our American friends from our natural market on the other side, and we were not so successful in the past year. As to mining, we have to congratulate ourselves upon the fact that we have taken out of the earth in the last year or two more gold than ever before. In order to bring about the expansion of our commerce, and assist in meeting our obligations, our government negotiated with certain other countries and dominions, with the result that our trade has been augmented to a certain extent. I must say, however, that our neighbours to the south have not dealt with us fairly. The United States to-day holds ninety per cent or more of the gold of the entire world. But, not satisfied with that, they are now trying to control the trade of the world and to penalize the commerce of other nations. Canada is one country against whose products they have placed an embargo. If an example of their action in this respect is needed it can be found in the Fordney bill. There is no doubt but that we have ample reason to complain of the unfriendly conduct of our neighbour the United States. In order to convince the House that I am amply warranted in this statement I shall read to you the statement of a writer in the Boston Post which has been embodied in an article published by a newspaper in my own town and headed This Embargo Business The article says:

That's the heading a writer in the Boston Post gives an article on the potato embargo. This writer deals with the question in a very frank manner and makes bold to state that the American nation is a persistent user of the embargo tactics.

The reason, that fine Malaga grapes were unobtainable in the American market the past holiday season was that the government had put an embargo on Malagas from Spain. Plant bulbs from France, England and Holland have likewise been excluded by the same process. "Some years ago," reminds the writer, "the onion growers of Bermuda were totally ruined for a season by an embargo excluding Bermudian onions from the United States. The last time Canada had an abundant potato crop the American government imposed an embargo on their importation."

"Now," concludes the Boston Post article, "with our record how can we consistently protest when our favorite tactics are turned against us."

Without a doubt this is a very fairminded editorial, published in one of the foremost papers of the republic to the south of us. Can we take it as being indicative of general feeling? Why should we worry if it is or is not? Britain has done what she thinks right and in doing so has incidentally helped a small portion of Canada, namely, The Maritimes. Too long has Canada been afraid of arousing the wrath and indignation of the U. S. Too long have we acted as stepping stones for the use of the money monarchs of the U. S. while stepping across the gap, to politely take from us our very necessities of life.

Mr. Speaker, the foregoing is a very strong article but I think it states the situation correctly. In my opinion the Americans are pursuing a very shortsighted policy, because the indications are that in the not distant future they will be looking to Canada, to a greater extent than they now do to supply their needs. In support of this view permit me to read the following extract from a French Canadian journal:

Coolidge and Canada

However, the hour of Canada will come. Quite recently, the President of the United States, Mr. Coolidge, foresaw it in a speech which created quite a stir in the country. The time is rapidly nearing, he said, when the American Republic will be forced to import enormous quantities of farm products. Previous to the war, he added, it was on the eve, as in the case of England, of being self sustaining. However, during the great European conflict, the Government gave an artificial and temporary stimulus to agriculture, and thus put back for a few years, the coming of the new state of things. Yet soon the American farmer will not produce enough wheat or food for the nation, and when this happens it will have to turn to agricultural countries so as to obtain the food which it will require.

This may be briefly translated as follows:

President Coolidge has expressed the opinion that sooner or later the consumers of this country will have to go to other agricultural countries in order to obtain food to meet the necessities of the nation.

Now, Mr. Speaker, I wish to refer briefly to the rights of the Maritime provinces in connection with transportation and trade with other parts of Canada. We have in Canada such an immense mileage that it is a matter of great difficulty for one section of the country to compete with another when it is handicapped by a long freight haul. In the Maritime provinces we produce lumber and raise potatoes in great quantities, but by reason of the long railway haul our lumbermen and potato growers are not in a position to compete with shippers located much nearer the market, as for example the lumbermen of Ontario when they send their lumber into the middle or southern states. It is equally difficult for our potato shippers to meet the competition of growers in Ontario and Quebec whose products have only to be hauled a comparatively short distance. That affects us in this way: Not very long ago I observed that our friends out on the Canadian prairies were importing potatoes from across the line,

paying duty on them, and ignoring entirely dealers in the Maritime provinces. I suppose the reason for that was that they could buy their potatoes more cheaply in the United States than they could from us. If such is the case our transportation system is not aiding us to the extent that it should. The freights are too high to allow us to compete with our fellow Canadians in other parts of Canada, or even with Americans who seem to have no difficulty in sending their products into this country. In order to illustrate the unfortunate position we are in, let me point out to you that it requires from thirteen to eighteen barrels of potatoes to purchase one barrel of flour. Is not this a very heavy handicap for the Maritime provinces to labour under? Is it any wonder that the St. John Telegraph, and the Times and Star, published in the city of St. John, N.B. are sending a representative throughout Canada in order to explain to the people of Ontario and Quebec, and especially our friends in the west, the serious handicap under which we suffer, and the urgent necessity for lower transportation rates? We must be relieved of some of these disabilities if we are to do our share in building up Canada, and there must be the most complete co-operation between all sections of the country and the equality as far as possible if we are to make this country what it should be. I must congratulate the newspapers in question on the enterprise they have displayed in taking such a striking way of making our grievances known, and I must acknowledge also the sympathy with which the representations made on our behalf have been received in other parts of Canada. I do hope that as a result of the present movement we shall be, in the near future, more happily situated, and that a better understanding may be arrived at between the east and the west. I am hopeful that the policy which has been enunciated by the government will have the desired effect not only in an equalization of railway rates but in an equalization in the price of food products throughout the Dominion.

I wish to say a few words in reply to my hon. friend from Halton (Mr. Anderson). The hon. gentleman spoke of the cost of transportation; immigration; and protection. He has spoken as a protectionist. He also spoke of the equalization of rates, and so forth. He is perfectly right in his own view, but the country to-day will not consider for a moment that high protection is the policy we need. He has referred to the United States. Well, give us a population of 110,000,000 and we will have a home market, but with a population of 9,000,000 and over-production in our manufacturing centres, over-production in the prairie provinces, and over-production in lumber all through Canada, what are we going to do? We have to find a market. When, by a high tariff, you prevent the people of the United States coming to Canada, what can you expect in return from that country? The reason why to-day we have so much difficulty in meeting our obligations, in my opinion, is that the tariff is too high. We are unable to deal with many European nations on account of their money having no value. We are at a loss for immigration. But when you say to this House, as my hon. friend from Halton has said, that we want a higher tariff, what are we going to do with our products? That is a question which my hon. friend is unable to answer.

I have before me a few words, published in the Free Press in Winnipeg, and I should like to put on the record what that newspaper has said referring to the Maritime provinces. It is about time that we representatives of the Maritime provinces should place our grievances before the House:

> The Maritime provinces have been hit particularly hard in the last few years. Not only has business suffered, but there has been a very heavy exodus to the United States. The number of people who have gone from all parts of these provinces has been a matter of the greatest concern. The cause of it was the general depression, together with the Fordney tariff, which practically cut off the United States market for products of the Maritime provinces. The great slump from the war traffic passing through Halifax and St. John—the enormous volume of supplies and the constant stream of troops—to the reduced traffic of post-war years, has also been very discouraging to the ambitions of those provinces. It is equally discouraging to see the western provinces growing while they are more or less at a standstill.
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> It is very necessary that something should be done to improve conditions. What are the natural advantages, and along what lines can development be stimulated? Can anything more be reasonably done to encourage traffic through the Maritime ports? The government has not only spent money liberally on those ports, but it has also secured a reduction in marine insurance on shipping and has given an increased preference on British goods imported into Canada through Canadian ports. The National Railways have also abolished the differential against those ports so that the rate on import and export traffic is the same as at Portland.
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> The results of the efforts of the commission which is being appointed will be awaited with interest in other parts of the country. We would have no national spirit, and Confederation would have no object or meaning, if we were indifferent to the difficulties of any part of the country. The difficulties of the Maritime provinces are serious, but, with the energy and resourcefulness of their people and such co-operation as the Dominion can lend, it is to be hoped that those difficulties will be surmounted and that a new day of prosperity and development along their own lines will soon come.

Years ago the province of Quebec was privileged by the addition of a large territory

to its limits. Labrador and Ungava were added to that province. Ontario was accorded the same privilege and a large tract of land was added to its area, Manitoba received a large increase of land. The western provinces are large and have enough land for centuries to come. We in the east, who also form a part of confederation, were limited to a few hundred or a few thousand square miles of land, and it is up to us now, when the old provinces and the new provinces of the west are receiving privileges from this government, that we should ask for cheaper transportation, so that we can transport our goods. We have to come to this House and ask for these privileges. In conclusion I have here a few words which I found in a magazine published in the United States uttered by one of our Canadian historians, and it suits my purpose to place them on Hansard. He says, speaking about Canadians: "Let us talk success not failure. Let us picture our victories rather than our defeats. We have many commercial and industrial lights. We should not hide them beneath a shade, but should place them upon a pedestal so that their brilliance may no longer remain unseen, because of light shining from afar."

Mr. A. J. LEWIS (Swift Current): It is usual to say a few words in regard to the Speech from the Throne. If there is one commendation that might be given to it, it is its brevity, but anything that it lacked in length was surely compensated for by the speech given in this House by the Prime Minister (Mr. Mackenzie King) the other evening. In the speeches that were delivered to us by the Prime Minister and the hon. leader of the opposition (Mr. Meighen) we got two entirely different pictures of Canada and her condition. On the one hand we had Canada bisected. We saw her great bony framework, her great arteries and sinews, and all the inside mechanism of this great country, and it failed to evoke any great enthusiasm or disturb our minds. Yet on the other hand we had a picture presented to us of Canada in lurid colours, showing the abounding prosperity and our happy position compared with any other country in the world. The question that came to me while the speeches were being uttered was this: Which of these speeches rings true in the heart of the individual in his own experience? It is the experience of the individual which counts, and he is only able to grasp the picture when it rings true with that which he finds true in everyday life. So far as I am concerned I am glad to believe that Canada is a great and mighty country. We do not believe that everything here is ideal, but it is far better for us not to think too seriously of the ills of the body politic. The great constitution of Canada to-day is sound, and for that reason, although we may have various ills and pains here and there that depress us, as a whole the body politic is sound. There is a good constitution; and with real leadership, and the right kind of thinking I believe we can come out successful from the depression in which we have been placed during the past few years.

While the Prime Minister was in the west he delivered certain speeches that revealed to us what had been done in past parliaments, and especially to the drastic cut that had been made in taxation. But what surprised me more than anything else—especially in his speech in Regina—was this fact: The average person seems to lack memory. The Prime Minister made the statement that possibly he had made the cut too drastic in taxation, that he had hewed just a little close to the line, and when he said to the intelligent people of that city that he had lowered the taxation of the Canadian people $27,000,000 in one year the people applauded, and yet not a word was said against it, not a question was asked. I am bound to say he could not have made such a statement in a little rural public school house without some question being asked, because when the Prime Minister speaks of a reduction of $20,000,000 in the sales tax, and $7,000,000, in the tariff, if one has any memory he will know that in this House during the two sessions previous to that the sales tax was increased, not $20,000,000 but between $50,000,000 and $60,000,000. Therefore, even at the present time, though there has been a reduction in taxation of $27,000,000, we are still $30,000,000 to the good from the point of view of public revenue. I am not saying a word against the sales tax. We must raise money in this country one way or another. Taxation is something like a pain, no matter where you have it in the body, you would rather have it somewhere else. The average Canadian is really not thinking seriously in regard to his taxation and how the money is being raised, otherwise, Canadians would not have allowed such a statement to be made without some comment.

Since coming to Ottawa I have heard a great deal in regard to the wonderful crop in the west, and more in regard to the wonderful prices. The Prime Minister in his speech the other night spoke quite truly when he said that the price the farmers had received for their products for the first time since the war nearly equalled the price that they had to pay for other things, but yet the year was very unsatisfactory to the great majority of

the farmers of Saskatchewan. When it is considered that by the most generous estimate the crop of last year was 125,000,000 bushels less than the average of the last two years, you can easily understand how it affected certain people. It must also be remembered that out of every year's crop we require twenty-five to thirty million bushels of wheat for seed, feed and milling purposes. Premier Dunning, in his letter to the Montreal Gazette, speaking of conditions in Saskatchewan, stated that very few people were fortunate enough to harvest a bumper crop. It is true that nearly as much money has gone into Saskatchewan this year, on account of the higher prices, as went into that province during bumper years, but that is poor consolation to those people who did not harvest a crop. We know that failure in Saskatchewan was due not to poor farming methods or poor farmers, but to weather conditions, and no government, no legislation, can remedy this kind of thing. The difficulty to-day is that in the drouth-stricken area this high price for grain is a drawback because many of the farmers have to buy seed.

As regards branch lines and branch line construction, last year when the government was enunciating its policy of a three-year programme, one of the arguments advanced in favour of that policy was the fact that it would enable the government to proceed rapidly with branch line work and especially to allow the work to be done by the farmers at a time when they were not busy. As soon as I heard that a railway was to be built in my particular area which was drouth-stricken at that time, I got in touch with the farmers and endeavoured to present to the authorities the fact that we had over 300 men and 300 teams who could work on this construction work. This announcement was sent before the contract was given. The contract was given and the contractors came into the district, but the sign was out "No farmers need apply." They brought in labour from other districts or from other contracts which they had just finished, and the result was that labour which would have been a Godsend to those farmers in the drouth-stricken area was denied them and any benefit that might have accrued to us went to those foreign to our district, none of our people reaping the benefit. I am speaking on this point only for this reason, to show that the argument advanced had no real foundation, because when it was put to the test the work and the equipment were furnished by other people.

As regards the needs of Swift Current, the constituency which I have the honour to represent, during the last two or three years, Swift Current has splendidly come out of the hole. The people of that district have had most wonderful crops and are benefitting thereby. The northern part of my constituency was drouth-stricken and as a result there was very much suffering. However, I would plead with the government for a more just distribution of public funds to the needs of the provinces in the west. I am not belittling the needs of the Maritime provinces, of which we have just heard, or even of Quebec or Ontario; but it is a well-known fact that if you were to look over the estimates which are brought forward in regard to the public works of this country you would find that one little wharf possibly up somewhere in Nova Scotia that served the needs of a hundred people, received just as much consideration and expenditure as three-quarters of a million in Saskatchewan. That does not seem to me to be fair. Of course our friends will say: You have the branch lines involving an expenditure of millions of dollars. But if we take the Prime Minister's speech in regard to balancing the budget, money spent on capital expenditure for the railways is not a part of our capital expenditure, it is simply a loan and therefore does not count. We should remember that the government, although it may not have many representatives from the three prairie provinces, should not be a class organization because of that. It should legislate for the whole of Canada, and the three prairie provinces to that extent come under its jurisdiction. In the city of Swift Current we have a site for a government building, and I believe the matter of providing such a building is under favourable consideration at the present time. But we have four government offices in Swift Current, one here, one up another street, one two streets down and another three streets up the corner, and it is very difficult for us to get to them. It would be more efficient to have the whole administration under one roof, and I believe the rent that we are paying for those four buildings to-day would more than pay five per cent interest on any expenditure on a public building that might be erected for the city of Swift Current and that would be more efficient and more accessible.

As regards government control of ocean freight rates, the efforts of the government to control these rates and thus limit the power of the North American Steamship combine should receive a great deal of support from this quarter of the House. It is a well-known fact that the export of cattle from Canada to the Old Country has been seriously curtailed as a result of the prohibitive prices

that have been maintained during the past two or three years. The question that we are anxious about is: How do the government intend to carry out their programme? The Speech from the Throne gives us no light on the matter, and the only announcement we have received is from the public press which tells us that the government intend to subsidize a certain steamship line or more than one with ten, twelve or more vessels. And as a result of the lowering of the rates they intend to subsidize them to the extent of millions of dollars. I do not know whether this is true, but if it is true, then so far as I am concerned I am opposed to the subsidizing of any steamship lines I am speaking for myself. One only needs to look over the estimates of last year and previous years to realize the amount of money that has been expended in the subsidizing of steamship service lines for the purpose of keeping them open. I can easily understand how the government can lower the freight rates by subsidizing a steamship company. But in the truest sense of the term, does that mean lowering the rates? It is simply asking the whole of the Canadian people to bear a part of the burden, and those steamship companies that are fortunate enough to receive subsidies will not only have a substantial reward for lowering the rates but they will have a profit as well.

I do not know whether the leader of the opposition (Mr. Meighen) was correct in what he said about the Petersen company and the president's address to the shareholders. If what the right hon. gentleman referred to was the negotiations with this government, then I think the time is opportune for this government to cancel the arrangements, because you can readily see that the president of that company is not interested in the reduction of freight rates; he is not interested in smashing the combine of the North American steamship companies, but in receiving a subsidy that will give him a profit and line the pockets of his numerous shareholders.

Mr. CARROLL: Does the hon. member presume to lay down the government's policy in regard to this whole question?

Mr. LEWIS: I am merely commenting on the speech of the leader of the opposition in his reference to the president of the Petersen line.

Mr. LOW: A bad basis.

Mr. LEWIS: Be that as it may, that is what I am referring to. I do not believe in subsidizing any lines. The hon. member for Lunenburg (Mr. Duff) has told us time and time again that the Canadian Government Merchant Marine ships are not suitable for this kind of traffic, nor would it be wise to convert them. I am not speaking against the judgment of the hon. member because he knows more about ships than I do. But before any drastic step is taken I do believe that, seeing that the merchant marine has cost the people of this country $70,000,000 which now represents a heavy burden of taxation, the government should secure expert advice on the matter; for I believe that a government-owned steamship service operated under competent management would be far more advantageous to the Canadian people and in the long run would stand some chance of smashing the combine.

A great deal has been said recently about our wonderful resources; we hear every statesman speaking about our mines and minerals, and our forests and fisheries; and we hear a great deal too about the land. I was rather surprised the other evening to hear the Prime Minister (Mr. Mackenzie King) speak in the way he did concerning our forests, especially in view of the propaganda that is being disseminated throughout the country and the discussions that have taken place in this House regarding the preservation of our timber resources. It is my purpose to speak rather on the preservation than on the exploitation of our forests. It may be quite true that our natural resources are in some instances inexhaustible, but this cannot truly be said of the forests, for every report that we receive warns us that these forests are being rapidly depleted. I would much rather see them preserved and cultivated for future generations. It seems to me that the whole tendency of those in authority, when they speak about our natural resources, is to regret the fact that we in this generation cannot utilize them as rapidly as possible to our own advantage. They forget that posterity and eternity are a long way ahead, that there are hundreds of thousands of years before us, and that our children and our children's children have some right to this splendid, noble heritage that has come to the Canadian people. I am glad to know, from the reading of a report in regard to Quebec, that that province is doing a great deal in the matter of forest preservation within its own limits. I believe that a programme of intensive forestation should be carried out throughout the whole Dominion. It was only last year that the Minister of the Interior reported to us the fact that over $15,000,000

worth of lumber had been destroyed by fire alone, involving great wastage and a considerable loss to the country, owing to a large extent to the carelessness of the contractor, as well as of the railways, and possibly of campers who cut the slash and the waste and leave the forest to become a prey to fire, which destroys not only the timber but also the young trees that should become the timber supply of the future.

I do not know how much truth there is in the statement, but we have been told that our forests will last only a few more years,—a few in comparison to the time it takes these splendid trees to grow; it may be ten years or fifty years from now. But look at the tragic consequences that would come to the nation if it were devoid of its trees. We heard the Prime Minister boast the other evening that our timber forests were the second largest in the world. Some day we shall wake up to the fact that they are not the second largest in the world and that we have no longer the forestry resources of the British Empire. As a result of fire and waste and the blighting that is caused by insect and other enemies we shall largely be a nation devoid of trees.

Another statement that was circulated amongst us in the west was that as a result of the depletion of our forests the water level of Canada is being seriously threatened. I do not know just how much truth there is in that, but surely the condition is serious. I would urge the government not to wait altogether on the findings of royal commissions, nor to depend upon propaganda, but to take time by the forelock and look seriously into the situation and do all it possibly can in the way of reforestation. The Minister of the Interior told us something was being done in connection with the reforestation of those lands that are suitable for the growing of timber, but not one-fiftieth part of the land to-day is re-planted in comparison with the depletion that is taking place every year. It is obvious that we need a more intensive policy of reforestation of suitable lands, and stricter regulations governing contractors who go into the forests. This will be an additional expenditure but the cost will not be half so much to the Canadian people as the loss that will ensue from the destruction that is continually taking place; and the tragic consequences that follow in the wake of a nation devoid of its forests.

There is one statement in the Speech from the Throne to which I shall now refer, the statement that: In due course steps will be taken to futher colonization and settlement in other fertile regions such as those of the Peace river. One of the greatest problems confronting us at the present time is due to our haphazard policy of settling the country indiscriminately, with the result that we have a very scattered development to-day. We have two great transportation systems, we have a network of roads, we have great urban centres, but we have not a settled country. The statement was made two years ago that at least thirty million acres of land in close proximity to our two great railways are unsettled. It seems to me that it would be good business on the part of the government to settle these vacant areas first and thus bring the people more closely together. It could be done with very little extra expense. I understand the Peace river region is very fertile and could support millions of people; and it may be necessary to complete the railway to the junction and give the settlers already there an opportunity of getting their grain to market; but on the whole I believe it would be the best policy for the Dominion to fill up the vacant spaces along our railways rather than open up new country remote from transportation facilities.

Equalization of freight rates is naturally a very difficult problem. It is a burning subject in the west, and from what I have heard in the House this afternoon it is attracting just as much attention in the east. It is obvious that the competition between our various distributing points is very unfair to-day; but equality of rates on a mileage basis has not been the practice here or in the United States. However, since this matter is still subjudice before the Supreme court, I do not think it is wise to discuss it, for one should not try to anticipate the judgment of that tribunal. But I think the government is to be congratulated on suspending the order of the railway commission pending decision by the Supreme court. With that decision before us we shall be in a position to debate the question.

Immigration and emigration were given a great deal of attention in the speeches delivered by the leader of the opposition and the Prime Minister, and they filled Hansard with columns of statistics. From the contradictory figures the right hon. gentlemen presented it was apparent that each was relying on statistics prepared by different departments. I do not think any stronger argument could be presented in favour of all statistics being gathered and printed by one bureau than the fact that the statistics relied on by the Prime Minister and by the leader of the opposition differed to such a marked

extent; they failed to coincide. It would save a great expense if this statistical work were dealt with by one department, and the information compiled would be more reliable and more accessible.

Our problem to-day seems to be to get a suitable class of immigrants. Every statesman tells us about the necessity of augmenting our population by attracting the right type of people; our newspapers deal with the subject editorially; and we are speaking about it privately all the time. Our business men tell us that if we increase our population it will automatically solve many of our difficulties. I know that the question immediately raises opposition from those who do not believe that the time is ripe to bring in more settlers, but that the first duty of the government is to remedy conditions and so improve the lot of those already here, which in turn will be an incentive for immigrants to make their homes with us. Well, I believe it is a very healthy sign when those in authority begin to tell us the truth in regard to Canadian conditions. Time was when our immigration literature contained the most extraordinary stories and pictured the advantages of settlement in Canada in the most lurid colours. Naturally, when the immigrant saw the actual conditions he got the greatest surprise and disappointment of his life. To-day we are endeavouring to tell the truth about Canada, to let the intending immigrant know what to expect, and I believe that that will be found to be the best policy in the long run. The intending immigrant should study world conditions, particularly in comparison with the country where he intends to settle. As far as I have been able to judge, an impartial verdict upon world conditions to-day would easily give Canada the first choice for the homemaker. If I could go back twenty-two years and were again picking out a country in which to settle, in spite of the difficulties and hardships I endured, I would again choose Canada as my home.

It is well for us to remember that Canada is the last great west to be populated, and therefore we should not be in too great a hurry in settling it. We do not want a class of people that would be detrimental to our position and to our standard of life. Comparisons, of course, are odious, and when comparisons are made of so many immigrants going to the United States and so many coming here, it is well to bear in mind that these comparisons are of very little value unless we understand the conditions surrounding them. There is not a doubt in my mind that Canada is suffering from a too-scattered development. We have railways branching out to almost every part of this great dominion; we have cities that are a tribute to the faith and energy of our people; we have all the modern conveniences, transportation, telegraphs and telephones; but, as I said a moment ago, our homestead lands were opened up indiscriminately. If you want confirmation of this you have only to look at the map of Canada. In three prairie provinces we have a little under two million people, and our public expenditure would look after more than double that number. In a word, we are so scattered over this great area that our expenses of administration are as great as if we had a very much larger population compactly settled; in other words, we could easily absorb a million more people without enlarging our machinery of government, or increasing the expense of our public administration. Of course, it would be necessary to build new homes. That would be inevitable if you are going to increase population,—and, I am going to add, if you are going to decrease taxation in our country. For myself, and I have given deliberate study to this question, I do not see how any intelligent argument can be raised against more people of the right kind coming to our country at the present time. It is people that we require, and the more the better. The benefits that would accrue to us, I think, are legion. We know that we have the finest agricultural lands in the world; our resources are second to none; our governments, our councils and our schools and our educational system are, I think, a credit to a new people. Our railways, with one or two exceptions, are reaching out to all our people. How, then, is it possible to remedy our conditions unless we fill up these vacant spaces? These modern improvements all cost money, and I believe that the population of Canada to-day is totally inadequate to pay the taxation that is demanded by this country at the present time. A greater immigration would assist trade all along the line.

Those who are opposed to immigration will say this: If this is all you have to offer to the intending settler—that is to help us bear the burden of taxation—I do not wonder the people do not come. But that is not all that we have to offer the people who come to this country. The people whom we are inviting to come to this country are already paying enormous taxation on the lands in which they now dwell. In spite of our business depression, in spite of over four years in the war, when we compare our taxation with that of the rest of the civilized world, and the modern

conveniences that we have to offer, I think the comparison is very favourable to ourselves. For that reason I do not think any nation in the world has so much to offer as Canada to the people who come to us. We have farm lands at very reasonable prices; we have schools and churches; we have modern conveniences; and I see no reason why people, if they have capital and experience cannot in a very short time make comfortable homes for themselves and have a fairly happy existence in this country. Of course, conditions are nowhere ideal under God's sun to-day, and we cannot expect them to be so here. But I believe that we are on the right track; I believe that with the experience of our Canadian people at the present time, with their energy and perseverance, we shall come out into the open and into the sunshine.

I do not think that immigration should be restricted to agriculturists alone, that is, if they are willing to come to this country and farm, because it must be remembered that a great many of the world's sweepstakes that have been offered for agriculture recently have been won by men who are on the farm to-day but have had no previous agricultural experience. So for that reason there is hope. I can readily see there must be many people in this world to-day who are longing for a home and for land of their own, for a chance to expand, and who would gladly come to this country. Naturally, as a Britisher, I would like to see an influx of British settlers to this country. They are familiar with our standards and our traditions, and the Britisher makes a very good colonizer, and a splendid citizen. For that reason I think this great country of ours should be open to that class of people.

Then, turning to the United States, conditions there have not been what people have been endeavouring to make out. One of the questions I would like to have asked the hon. member for Halton (Mr. Anderson) when he was speaking this afternoon of the great prosperity of the United States, with its taxation and its high protection, is this: What about the great farming community in the United States; has protection there assisted the farmer at all? We know that the farmers in the United States, as a result of the high prices of land and of the heavy freight rates, are in a very poor condition financially to-day, and I believe the United States is a good recruiting ground for immigrants to this country. Besides that we have more than one million and a half of good French Canadian stock now living in the United States who ought to be brought back here to develop the lands of northern Quebec, and possibly the lands of northern Ontario. A way should be found whereby these men can come back to the land and the province of their birth. We have also about the same number of people of British origin living in the United States to-day, and with the upward trend of living conditions I see no reason why these people should not come back to their old home. The races in northern Europe, because of their experience in agriculture, and being used to a climate similar to ours, adapt themselves most readily to our climate and become very good citizens.

In closing let me say this: Tell the intending immigrant of the hardships and privations he will have to undergo in this country; tell him something about our winter, if you will; reveal all these conditions to him. Then tell him also of the thousands of his own race who have come to this country, and suffered the hardships and privations, and have still endured. Then show him the thousands of homes and the thousands of well-equipped farms, the thousands and thousands of well-bred children, strong, virile and intelligent, entering into an inheritance in the social and educational spheres that is not equalled in any other part of the world. Tell him of all these conditions, and then let the invitation go out, and if they have the spirit of the Great West in their veins, if they have the perseverance and stability of the men who have made this Canadian nation, invite them to come and share our burdens, yea and enter into an inheritance of which no real Canadian is ashamed.

Mr. JOHN EVANS (Saskatoon): Mr. Speaker, I almost apologize for getting up at this time directly after one of my colleagues, but a speaker on the government side is not ready, and I wish to take up a short time of of the House.

The discussion on the Speech from the Throne has this time, as usual, particularly among the leaders of our parties, turned again on the great question of class privilege. This is a question that will have to be settled in the near future, and the government will do well to take into consideration the unrest brought on by it through the different parts of the country. In fact, Sir, I think this session of parliament is fraught with issues that are of the utmost importance to the unity and stabilization of confederation itself.

There is no forward policy outlined which the government seems prepared to follow. The diversified interests of this country call

for a uniform policy, a policy of equality that will harmonize the aspirations of the different classes of this Dominion. The people outside the industrial area—the manufacturing centres of Quebec and Ontario, are calling for their rights as free citizens of a free country. Now, a country must be a commonwealth; by that I mean its privileges, its advantages, its freedom of opportunity must be open to all on an equal basis. No country, however large, no matter how unbounded its natural resources may be, can develop on lines that are lasting or worth while if one part or one class of it is held in bondage to another class or to the people of another area. Our democracy here will prove a farce unless all the people share in its advantages.

The fact is that in Canada our policy, our class privilege, adopted as far back as 1878, has been a disintegrating policy, giving class advantage on the one hand and impoverishment on the other. A policy of concentration of wealth and power in the one case which results in poverty and dependence in the other. Our great employers of labour and those who direct the financial and industrial policies of the Dominion, are hypnotized by the fallacious idea of class privilege; and there is no indication even yet fore-shadowed in the Speech from the Throne, that our government is free from the mesmerism of this personal selfishness. Because of the policy of self-aggrandizement on the part of employers, backed up so long by succeeding governments, the cost of living has reached a level which puts the cost of production entirely out of line with the world's prices abroad. It has curtailed the market at home by destroying the purchasing power of the agriculturist who has had to curtail his production for the same reason. The power of the agriculturist in this country to consume home manufactured goods is limited only by his power of production. If the commodities the agriculturists need to use could be bought at the prices prevailing in the markets of the world to-day, if the workers on our railways and shipping lines could buy what they need at those prices, there would to-day be a greater utilization of labour in this country, while the power of the farmer to produce would be immensely increased and consequently his capacity to consume proportionately enhanced.

The manufacturer of this Dominion, pampered by privilege, is exhibiting indolence in seeking a market for his goods abroad, but is ever calling for increased protection in the home market which has diminished as class privilege has been applied. Britain to-day is paying her way by her exports, a thing no protective country in the world which was directly concerned in the war is doing. She is setting a moral example to the world which all protectionist countries would do well to heed. Morally and economically speaking she is to-day leading the world by reason of the stability of her economic policy with which neither Liberal nor Conservative governments dare to meddle: and while the United States may have the gold of the world in her coffers she is learning that money is not wealth, and though it is the symbol by which we reckon reality, the true wealth of a nation lies in its power to produce and its freedom of exchange. Money is but a shadow, trade is the substance. In a country where trade is free and production unhampered, as in Britain, even the loss and destruction caused by a great war is soon overcome. Its exchange becomes normal, hope and courage prevail among all classes, and the nation faces the future with confidence. There is no continuous whine on the part of the manufacturers in Britain such as is put up in this House every session from year to year. And if we contrast the condition in Britain to-day with the condition in Canada what do we find? Morally we must admit that the economic policy of this land is yet subject to party expediency: and we need only peruse the Speech from the Throne and some utterances of our Prime Minister—notably in Montreal, Toronto and Hamilton—to know that our government is yet in close relationship with, or even dominated by the directors of industry and finance rather than by a sense of economic justice for the workers of this Dominion. The government is backed up in this by the official opposition, and while there may be party controversy, the contest does not hinge on economic equality for all classes alike, but as to which will dare by servility to make a bid for the favour of those who may for the time being, through the concentration of wealth and industry, control the policies of trade and finance of this Dominion and the lives of the people as well.

Here I want to say that to protect an industry in any country is in the end bound to act detrimentally to the interest of the protected industry itself as well as to that of the consuming population. To the protected interest the cost of living goes up with the amount of protection that interest enjoys, and the consuming public is handicapped in its productive work by the same process. This feature in our economic life affects every phase of government. Protection or, as I like to call it, legalized robbery, has driven our country

into a condition of debt and entanglement, from which it will take the co-operation of all classes to extricate it. Our climate is good, our soil is unexcelled. Therefore the reasonable thing to do is to remove every handicap from the one industry that asks no protection, the one class that desires no favours, so that it will be free to produce. The problem for this nation to-day, as it has been for some time, the one thing for the wage earner and the agriculturist to do is to set free the government of this country from the domination of the capitalistic and manufacturing groups and revise the industrial policy of the state.

The right hon. leader of the opposition has lately been stressing the point of bringing the old national policy up to date. But the old National Policy of 1878 has been tried and found wanting. The handwriting is on the wall, and for him and his policy it might well be written to-day:

Meighen, Meighen, tekel Upharsin.

What the hon. gentleman means by bringing the old national policy up-to-date, I do not know, except it be to raise the tariff to a point which will entirely prohibit the importation of foreign goods. Now that is what the United States intended doing by the Fordney-McComber tariff, and which has proved a fallacy unprecedented, so far as importation is concerned. To-day Britain is finding it quite as easy to export to the United States millions of yards of piece-goods as she did before the tariff was raised. With the amount of tariff protection the manufacturers of any country enjoy the prices will go up equal to the level of that protection. I want here to read an extract from the Recorder and Times of Brockville, a paper published daily by the Recorder Printing Company. Hon. George P. Graham, M.P., it is said, is president of that company. The Recorder and Times has seen fit to place this article in its editorial columns and describes it as a United States indictment against protection. The paragraph which I would like to bring before the House reads as follows:

Philadelphia holds the protective principle in reverence and proclaims herself "the workshop of the world," but under the highest tariff rates the United States has ever known there is a higher percentage of unemployment in protectionist Philadelphia than there is in free trade London. Not a day passes but the daily papers record suicides of people out of employment or people unbalanced by business cares. Nearly two billion dollars' worth of recently-built modern ships (built in the United States) rust at their anchorage in the rivers and harbors of the United States, in the days of the highest tariff the country has ever had. The greater portion of the finest peach crop that Georgia has ever owned has been dumped into the river or allowed to rot on the trees because American housewives cannot afford to preserve peaches with the price of sugar what it is under the highest tariff that has ever existed. Under this high tariff there are more idle manufacturers scattered throughout all the forty-eight states than have ever before been known. In New York there is such a lot of money that under certain conditions it may be obtained at as low a rate of interest as two per cent. Notwithstanding this, because of forced withdrawals of savings from the small banks in many sections of the country over two thousands of these banks have been obliged to close their doors. A quarter of a million families, representing a million and a quarter individuals, have been forced from their farms, while an equal number remain on their farms, entirely through the leniency of their friends.

Mr. BALDWIN: Can the hon. gentleman tell me what the date of that article is?

Mr. EVANS: September 27, 1924. Here is an indictment against protection, describing conditions in the very country whose policy we are exhorted by the opposition members of this House to emulate. Its ships are idle because of its trade barriers. Crime is increasing because of its economic fallacy—it would seem to be a verified fact that has often been put forward, that class privilege and crime are very closely related. The prices of all commodities are high because of the centralized control which is always a feature of protection or legalized communal robbery. A contented virile population on the land is a bulwark of morality and prosperity in any country. This is particularly true of this Dominion. But we are asked to emulate a country that has driven one and a quarter million from their farm homes by a policy which robs the agriculturist of his earnings.

Mr. STEVENS: Some home for the protectionist.

Mr. EVANS: I must say that the mind of the protectionist advocate has always been a mystery to me. There is no accounting for it in any other way than that his intellect is clouded by the prospect of immediate gain by a policy which as it benefits one class, robs other legitimate industries, agriculture in particular, of its earning. Last session we accepted the budget at the hands of the government as an earnest determination on its part to evolve a policy of free or at least freer trade. In the Speech from the Throne our attention is now drawn to the high cost of production. But the one thing which is at the root of the whole evil is to remain as it is for the present. No, even the Minister of the Interior (Mr. Stewart) is not to mention the "death knell of protection" this year, and the Prime Minister (Mr. Mackenzie King) states in his speeches throughout the country that the government has gone far enough; the

government is upholding the hand of the protected interests, while ominous sounds of separation are heard from both the east and the middle west of this Dominion.

I wish to take a few minutes to show something of the extent of protection the manufacturer enjoys at the expense particularly of the agriculturist, under the present system of protection which my friends to my right intend to have increased at the first opportunity. Now a cut was made in the tariff last session, but no cut in the tariff schedule as it stands can be effective in lowering the cost of living in the cities or the cost of production on the farms while the tariff act is administered as it is. While the dumping act is applied by the government to discriminate against private citizens and co-operative companies, the tariff schedule may be eliminated altogether, and the manufacturer would still have all the price-fixing power that he cares to enjoy. On the farms of Canada the agriculturist for some years past has sought to lower the cost of production by co-operative effort, but here the government steps in and says, "Thou shalt not." The politician—and I say this deliberately—is and always has been the chief link in the whole chain of privilege, and the seething discontent of the Maritimes and the middle west to-day lies at the door of the government. Nor is this dumping act all in which the politician becomes the vendor of privilege. A trade discount is taken into account in computing the cost for customs purposes, amounting in the case of big deals to as high as twenty per cent. In the case of co-operative companies and individuals this is not allowed, so again the politician makes another sale of the rights of one citizen as compared with another.

In spite of the much-vaunted cut in the tariff last year, the cost of living to-day in the Dominion is quite as high or higher than it was before the paltry change was made. Goods are just as dear for the workers, the cost of production on the farms is just as high. Equality is surely one of the main attributes of government, it is an inherent quality of citizenship. Yet our citizens are classified by the government at the instigation of the manufacturing and distributing combines as to their right to import on invoice prices. As far as I can find out no such classification is mentioned in the act and the power of the board is very loosely applied. Worst of all, what makes even our parliament a nonentity and government seemingly a mercenary scramble, refunds of these sums have been made just as the importer has had the temerity to protest or has threatened to make public the doings of the board or the secret administration of the whole act. Fair market value is interpreted, not according to the act, but according to whether the importer is a consumer, dealer, jobber or manufacturer. Sections 41 and 43 of the act are simply a nonentity as regards its administration. So is section 53 relating to the same thing. They have no definite meaning, but they are interpreted simply according to the will of the board which is guided by the mandatory instructions of those concerned. No statutory regulations seem to govern their actions. This is why I say that government in this country is simply reduced to a mercenary scramble. Our whole system of collecting revenue under the tariff is, in the way it is applied, a system of banditry as regards some of our citizens. Because of the domination of Ontario and Quebec and the means those provinces take to maintain this domination, tariff matters have become sectional in their application. Not only does the tariff act prevent competition from foreign countries against the industrial areas of Quebec and Ontario, but discriminatory freight rates as well give them protection against other parts of the Dominion. Such are the means taken with the connivance of the government to keep up the cost of living, which is at the bottom of all our troubles. Wages, freight rates, cost of distribution and manufacture, as well as the production of all things, hinge on the cost of living. Railway managers say that freights cannot come down until wages are lower. Railway workers say that wages are only consistent with the cost of living and that they must be left at their present level to meet the high cost. All the time our farmers are leaving the land. But the government to-day is seemingly more careful to replace us by immigration than to retain experienced farmers. Given our freedom on the land to-day, in five years time we could fill up the waste places of this Dominion with contented home makers who would set the Dominion humming with industry.

The Prime Minister stated that the leader of the opposition must know that his panacea for the ills of the nation is futile in face of the results of the by-elections of this year. But what of that? The government to-day is maintaining the same old ruinous policy that the opposition maintained from 1911 to 1922, the only deviation made being the microscopic cut in the tariff at the last session of parliament. After all the severe castigation the government received at the hands of the leader of the opposition that hon. gentle-

man must know that the condition on the farms of Canada to-day and the closing of the 2,000 factories, which, he says, he can vouch for, is the result of his own policy. The Libby-Owens incident was brought very forcibly to the attention of this House last year. It is a tragedy in industry to-day, and I am mentioning this one case only because I know something of it. The Libby-Owens factory is closed because of the quality of its goods. In Saskatoon at the present time we are building a sanatorium for the treatment of tuberculosis and a great deal of glass is being used in the three large sun rooms that run the whole length of the building. Up there one day, talking not long ago to the foreman, and noticing that all these glass cases came from Great Britain, I said to him: "Why did you not buy this material in Canada? Why did you not buy the Libby-Owens products?" "Oh," he said, "we could not use the stuff. It is too brittle." That is only one case where our manufacturers are lying down on the quality of the goods to-day and depending upon protection to carry them through.

But to return, there is no difference between the two parties; they are both championing the great communism of pelf. The policies of the two are equal. I see the hon. member for Brantford (Mr. Raymond), the hon. member for North Waterloo (Mr. Euler) and the hon. member for St. Lawrence-St. George (Mr. Marler). They are quite comfortable in the seats of the Liberals at this time, and I say that there is no difference between the two parties. Under present conditions agriculture is bound to languish and die, and no system of immigration will suffice to give us an increase in population under such circumstances. Under normal conditions before the war it was estimated that one out of every seven persons brought into this country and settled on the land stayed and made good. This estimate was made by two of the most observant men in western Canada, Sir James Aikens and Mr. J. B. Musselman. Under this system of class privilege, however, not more than one in twelve at present can be expected to make good. I do not want to be misunderstood in this matter: I am not opposed to immigration; I hope I shall live to see the day when the Dominion will have twenty millions of people. But we must do first things first, and the first thing to do is to set the agriculturist free, as free as God ever intended him to be.

The futility of a tariff-fed industry is amply exemplified to-day in the case of the British Empire Steel Corporation. I have no hesitation in naming that company. From the days of the inauguration of the Dominion Iron & Steel Company, that concern has been a source of expense and trouble to the taxpayers of the country. In bounties it has received at the hands of the taxpayer $8,115,399.75, while in remission of duties it has received nearly three quarters of a million. It received in 1921-22 as compensation for loss of contract $4,500,000. In other words, it has benefited to the extent of $13,276,672. This concern during the time of its operation has received for services, from the departments of this government, Railways and Canals, Marine and Fisheries, and Militia, no less a sum than $77,138,459. The price of rails charged to this government was $32 per ton, with $7 a ton bounty added, making a total of $39 per ton, while the same company could cut prices against the whole world to $24, delivered. This country at the time of the building of the Transcontinental railway bought its rails at $15 per ton more than it would have paid if it had brought them in from outside, and the taxpayer to-day has to meet the difference. Then we wonder why there is a deficit every year on our railways. Conditions prevail to-day at this company's works which are a disgrace to Canada and a disgrace to the name it bears. Twice since this parliament has been elected the militia has been sent in there to preserve order.

Mr. CARROLL: What were the occasions?

Mr. EVANS: The hon. gentleman knows them. In view of our experience with this company, I wonder whether the hon. member for Vancouver Centre (Mr. Stevens) would describe this industry as "essential" or as "exotic." Its methods and its dealings with its employees are not Canadian, they are not British; they are foreign.

The agriculturist and the workers of this country have a real grievance. The tariff schedule as it stands to-day is not the greatest evil we have to contend with, but the way in which that act is administered is a disgrace to this country and it is something that we cannot long put up with. Just to show how it is administered I would read a paragraph from the report of one of our great co-operative companies:

To show you how the department values work out, we would explain that we made entry of a carload of wagons on June 20, 1916, at Winnipeg, vide entry No. 11583, on a value of $1,165, whereas our purchase price was $1,057, and in addition to paying duty on a basis of $1,165 value, we had to pay dumping duty of $104. The total duty paid was $483.50, which repre-

sents 46 per cent ad valorem on the purchase price, whereas the regular tariff rate, including war tax, is 32½ per cent.

This company, on some of its goods imported that year, paid as high as 78 per cent in duty, and to-day the finger of scorn is pointed at the agriculturist when he fails to make ends meet on the farm. I ask the House, is there any reason in that sort of thing, when we have to find a market for our products against all the cheap labour of the entire world, Europe and Asia alike? Is it any wonder that the farmer cannot get along under these conditions?

Mr. SUTHERLAND: Were the wagons referred to by the hon. member purchased at the regular price in the country of origin, or were they bought at a lower rate than the purchase price in that country?

Mr. EVANS: They were purchased in the regular way in the country of origin, but after the valuation had been raised $108 and a duty exacted on that amount, this farmers' company had to pay a dumping duty of $104, which represented 46 per cent ad valorem on the purchase price.

Mr. SUTHERLAND: Why a dumping duty?

Mr. EVANS: I will answer the hon. gentleman's question, and my authority is a statement made by the Minister of Customs on the floor of the House last session in answer to a question by the member for Macleod (Mr. Coote).

Fair market value is not interpreted according to the Act, but according to whether the importer is a consumer, dealer, jobber, or manufacturer. Under this legislation no consumer, no co-operative company can get the standing of dealers or distributors of agricultural implements or any other commodity; they may import. This is tyranny. And yet the agriculturists of this country are expected to operate under it. Is it right?

Mr. STEVENS: I do not quite understand my hon. friend. Does he say that no co-operative or private concern can import an article direct from the manufacturer in the United States?

Mr. EVANS: You have it right, sir.

Mr. STEVENS: Who is to blame for that? Surely he is not blaming the Canadian industrialist for that. The blame must rest upon the manufacturer of agricultural implements on the other side.

Mr. EVANS: No, not at all. Why do you put that construction upon it? It is so because the manufacturer in this country maintains that he only has a right to sell goods in this country. That is the idea of protection. The Minister of Customs (Mr. Bureau) made the statement in the House last session, in answer to the member for Macleod (Mr. Coote). It is true enough.

Mr. STEVENS: My hon. friend is referring to the application of the dumping clause as passed two years ago, under which the matter is in the hands of the Minister of Customs. He supported and we opposed it.

Mr. KENNEDY (Glengarry and Stormont): Not at all; it was passed fifteen years ago.

Mr. STEVENS: No, it was amended two years ago.

Mr. DEPUTY SPEAKER: Order.

Mr. EVANS: I think the hon. gentleman is wrong, Mr. Speaker. The amendment to the act passed in 1922 related only to natural products. The right hon. leader of the opposition at that time gave the government the worst castigation that I have ever heard.

Mr. MEIGHEN: It was not bad enough.

Mr. EVANS: I admit, Sir, it was not bad enough. But this is what I want to tell the House to-day, when I make the point that there is no difference between the two parties: both the leader of the opposition (Mr. Meighen) and the member for Vancouver Centre (Mr. Stevens) voted with the government.

Mr. STEVENS: On what?

Mr. EVANS: On that amendment. There is no mistake; I took a note of it at the time. I see it is six o'clock, Mr. Speaker. I hope I have been able to bring before you the conditions under which agriculture is labouring to-day. Agriculture must have these conditions removed before the present population, or any augmented population, can operate successfully.

At six o'clock the House adjourned without question being put, pursuant to rule.

Thursday, February 12, 1925

The House met at three o'clock.

NEW MEMBER INTRODUCED

Grote Stirling, Esquire, member for the electoral district of Yale, introduced by Right Hon. Arthur Meighen and C. H. Dickie, Esquire.

CRIMINAL CODE AMENDMENT—PRINTER'S LIABILITY

Mr. A. W. NEILL (Comox-Alberni) moved for leave to introduce Bill No. 3, to amend the Criminal Code.

Some hon. MEMBERS: Explain.

Mr. NEILL: I introduced this bill last year but it did not go beyond the second reading. Its purpose is that all documents or circulars printed for public circulation shall contain the name and address of the publisher. It follows the English act, which has been in force for something like one hundred years, and also various Dominion statutes, notably the Dominion Elections Act. On the second reading I will explain more fully the intention of the measure.

Motion agreed to and bill read the first time.

OCEAN SHIPPING RATES

REPORT ON, AND ACTION CONCERNING NORTH ATLANTIC STEAMSHIP COMBINE

On the Orders of the Day:

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): Before the special order for the resumption of the debate on the Address—

Mr. JOHN EVANS (Saskatoon): Mr. Speaker, when six o'clock was called yesterday—

Mr. DEPUTY SPEAKER: The right hon. leader of the opposition has the floor.

Mr. MEIGHEN: I am just interposing, if I may be allowed on the orders of the day, to ask if the government purposes having printed the W. T. R. Preston report. I am told there are no copies printed as yet.

Right Hon. W. L. MACKENZIE KING (Prime Minister): By a coincidence I was just making inquiry at the moment for the draft of the motion to authorize the printing of the report. I will make the motion to-night.

THE GOVERNOR GENERAL'S SPEECH

ADDRESS IN REPLY

The House resumed from Wednesday, February 11, consideration of the motion of Sir Eugene Fiset for an Address to His Excellency the Governor General in reply to his Speech at the opening of the session.

Mr. JOHN EVANS (Saskatoon): Mr. Speaker, when six o'clock was called yesterday I had dwelt somewhat on the concentration of wealth and industry and the control of the different policies of this Dominion in certain areas. Still, in that connection I want to say a word on the question of Senate reform. The Speech from the Throne would indicate that very little can be done regarding that matter at this session of parliament. This may come as a disappointment to some of us who heard the speeches of the Prime Minister in western Canada. Of course it could hardly be expected that this House could, or would, pass a bill limiting the power of the Senate and expect the upper chamber to accept the same in toto. Furthermore, there are so many in public life to-day that look upon the Senate as a haven of rest from the uncertainties of party warfare as to make it possible that even here a measure to reform the Senate might have to follow a very tortuous course indeed. After all, an appeal to the provinces is the most constitutional way to proceed about the reforming of the Senate, and, perhaps, it also relieves the government from responsibility in the matter to some extent. Then the odium of changing the British North America Act would rest upon the provincial governments. But since the matter of Senate reform has not been discussed before the provincial electorate I cannot yet see how the existing provincial legislatures can, without at least a mandate from the people, deal competently with this question. The only benefit, therefore, that I can see to be derived from such a pronouncement is that the government will deal with Senate reform at some indefinite time in the future after there has been opportunity of asking the electorate to give them a mandate for carrying out the policy. As far as I am able to gather from a reading of a history of this country prior to confederation the one idea of the purpose of the Senate in the minds of the statesmen of the Maritimes, previous to those provinces entering confederation, was that a second chamber would prevent the exercise of any undue domination by the old provinces of Ontario and Quebec over the smaller provinces. I stated yesterday that the provinces of Ontario and Quebec have

dominated the rest of the Dominion ever since confederation. They have concentrated the wealth and the industry of the whole country within their own boundaries, and this domination they have so far maintained. Now looking over some of the speeches on Senate reform in years gone by, as reported in Hansard, I came across some utterances of that great Canadian statesman Sir Wilfrid Laurier, and the following is taken from a speech which he made in the House in 1906:

For my part I believe this abolition of the Senate—

Which was then under discussion.

—would be a mistake, and I could not be induced to reconcile myself to such an idea. A second chamber seems to me absolutely necessary for two reasons. It is supposed to be a check on hasty legislation. But one consideration, which to my mind, is absolutely conclusive and paramount is that, under our present system of government, composed of federal parts, a second chamber is an absolutely necessary safeguard against a possible invasion of their—

The smaller provinces.

—rights by the larger provinces. But if we are to have reform I would not be averse to adopting the system of our neighbours and having each province represented by an equal number of members whether that province be large or small.

Another reference was made in a speech made in the session of 1907-8. From that speech, as reported at page 1569 of Hansard, I take the following:

In the United States Senate, the state of New York has two members and the state of Rhode-Island has also two members, so that while in the House of Representatives each state speaks according to the numerical strength of its population, 36 against 2; in the Senate each state has an equal voice.

The only reform of the Senate that can ever prove acceptable to the provinces which go to make up the Dominion is to reconstruct that body, so that all the provinces shall be represented on the floor of the Senate by an equal number of representatives. There are nine provinces in this Dominion, and if each province was represented let us say, by five senators, that would give us a senate of 45 members. I think, Sir, that would be sufficiently large, without being too cumbersome. To curtail the power of the Senate, as at present constituted, by an alteration in the act stipulating that in the event of a bill passing this House twice it should become law even against the will of that body, would in my opinion be of very little benefit to this country, except in very isolated cases. Let me give an example. The fight is on in this country at present between public ownership and private ownership of public utilities. The Senate has twice during the life of this parliament thrown out bills for the construction of very much needed branch lines in western Canada. This has been done in the interests of private ownership. Simply curtailing the power of the Senate as afore-mentioned would still give the privately owned concern an advantage of at least one year to choose their territory and to construct their lines practically on the grade of the publicly owned company's survey. Two notable cases of this kind are seen in Saskatchewan to-day in the construction of the Lanigan and the Tuffnell branches.

Let me ask, is equality of representation in the Senate desirable? Domination of one province by another inevitably leads to sectionalism, and after fifty-seven years of a union which this country has experienced, a union that has not developed unity, confederation is heard cracking in different parts at the present time. There are ominous sounds even of separation to be heard. Ontario and Quebec, the old federation, have assumed an ownership of this Dominion that has at last become unbearable to the smaller provinces. For instance, to build a transcontinental railway they gave away to the first one of these railway companies 25,000,000 acres of land, belonging to Saskatchewan and Alberta, that never belonged to this Dominion. Every province was to come into confederation on an equal basis. The new Dominion of 1867 held in trust the Northwest Territories until such time as the population there would warrant the forming of provinces. The older provinces assumed ownership, which they still hold so far as the natural resources are concerned. They even created hardship on the settlers in that part of the country by tax exemption of these lands, and the settlers themselves have had to meet this burden and pay the taxes themselves on that land to establish schools, construct roads and build bridges. Some 40,000,000 acres altogether of our lands have been alienated from their rightful owner to construct transcontinental railways in this Dominion. Now, placing the value of that land at $25 an acre, it would amount to the huge sum of $1,000,000,000 which will have to be taken into account when the question of natural resources comes up for settlement. Possession of power to dominate has made it difficult for these two provinces, Ontario and Quebec, to take an ocean-to-ocean view of Canada. They have habituated themselves into thinking of Canada in terms of two provinces only. Sectionalism can only be met and combated by sectionalism, which accounts for the feeling of disunity prevailing throughout the Dominion to-day.

The government can make a record for itself now by championing Senate reform on a constitutional basis so that real union will be established. In the absence of any con-

stitutional machinery to compel compromise, the inevitable result is the domination of the smaller by the larger provinces. A Senate of the type which Sir Wilfrid Laurier would have offered would be able to compel compromise and prevent domination. Can anyone conceive of what use excessive Senate representation is to Ontario and Quebec if not for the purpose of controlling, or having control of both the House of Commons and the Senate and the domination of other provinces? I say that no one need strain his imagination envisioning a truculent Prince Edward Island dominating Ontario and Quebec by means of its equal representation in the Senate; Rhode Island does not dominate New York, and New York cannot dominate Rhode Island.

I would also advocate that the new Senate be an elected body. Then the smaller provinces will be represented in that chamber, not by men chosen by Ontario and Quebec as at present, but by men of their own choice. The constitution of the country is the expression of the will of its own people. Elected representatives of the people have an inherent right and authority to speak for themselves; appointed members of legislative bodies have not. Even that historic body the House of Lords, whose forbears, the barons in arms, forced their king to sign the great charter, has been on occasions forced to bow to the will of the people. It is high time in this Dominion, in this democratic age, that we take steps to ensure a return of this power to the people of Canada and so amend the constitution that it will not be alienated.

Until such a reform is brought about, sectionalism will become more and more acute. While the domination of Ontario and Quebec in the past has been made perfectly secure by party domination in the provinces, this question bids fair now to cut even across party lines, and I shall not be at all surprised to see solid provincial blocs occupying seats in this House until such a reform is brought about. I believe the reasonable thing to do is to call a conference at which each province will be represented by an equal number. Let us hope that such a conference will evolve an agreement that our constitution may be amended in such a way, and to the end, that the people of Canada may be united for all time in a real federal union.

Mr. HERBERT MARLER (St. Lawrence-St. George): Mr. Speaker, like other members who have preceded me, I offer my very sincere congratulations to the mover and the seconder of this Address. The hon. member for West Hastings (Mr. Hanna), fresh from his laurels in a hard-won battle, has added further to his laurels by reason of his speech in this House. To the hon. member for Rimouski (Sir Eugene Fiset) perhaps I may be permitted to address a more personal note. He comes from that province which has been my home and the home of my family for many generations, a province to which I and my family are attached root and branch in the same way as the French Canadians are there to this day, a province in which we English-speaking Canadians have learned to respect and to admire our French Canadian brothers. More than that, we have come to realize that this country is all the richer and greater by reason of having that great nation as one of our parts.

It may be properly said of almost any country, and particularly of a new country like Canada, that a country's wealth and progress are measured by the extent of and increase in its population. As a matter of fact, that saying is not very difficult to analyze, when one realizes that production can take place only by means of population, and it follows from that, that the greater the population, the greater will be the production and, consequently, the greater the production, the greater the wealth of the country.

Mr. IRVINE: Does that apply to China?

Mr. MARLER: Yes, that applies to Chinamen too, if my hon. friend wants an answer immediately. Production, however, to take place at all, certainly to be continuous, must be profitable. It must be profitable, at least to the extent that the producer is able to gain a livelihood by means of his production. From that it follows that if production is profitable, more will seek an occupation in which such profit exists. On the other hand, where that profit is not apparent or where that profit does not exist, there will be a diminution and finally an entire cessation in production and population as a consequence will decline. It may be very properly assumed from that that profitable production will increase population, and increased population will increase production, and increased production will produce greater wealth. But we must bear in mind that profitable production is very distinctly limited by certain factors, one of them being the effect of taxation. If taxation, no matter how applied, is taken off the profit on an article, then the profit is less. If it is added to the cost of an article, that cost may amount to so much as to make the article itself unprofitable. Another factor which limits production is the possibility of marketing the thing produced, that is to say,

turning it into money or exchanging it for another suitable article which the producer might require. I freely admit that these principles are extremely elementary, in fact so elementary that I hesitate to assert them in this House; but notwithstanding that, I think hon. members will agree with me that on the successful and proper application of these principles really depends the success of any nation.

You have only to apply these principles, for example, to our natural resources, which are the real basic wealth of this country. Without those natural resources neither this nor any other country can prosper. But of what use are our natural resources unless they are developed, unless they are applied to useful purposes? While they remain in the ground they are of no value whatever. Even when those natural resources are made into products, those products still cannot be established as regards their value unless there is the ability to market them to people who desire to acquire them. The same thing applies to any industry, no matter whether that industry be foodstuffs, labour, manufactured goods, or anything else.

As I started out to say a moment ago production is limited by certain factors, one of them being taxation. We have heard it stated throughout the country that our taxation has been limiting production; that it has been driving capital from the country; more than that, that it has been preventing people from coming here, and that it has had various other results too numerous to mention. As a matter of fact, some of those results deserve a great deal of consideration; but while to reduce taxation is an extremely easy thing to say, it is a very difficult thing to accomplish. Those who say that and who say reduce taxation at all costs, cannot be as well acquainted with the finances of this country, the needs of its finances and the needs of the distribution of its revenue as they should be. It is not to be wondered at that the people of this country do not know more about the necessity of our taxes and of the distribution of the revenues. When we realize that before the war we had only two sources of taxation, namely, customs and excise, we can come to the conclusion that the ordinary man in the street knew little or nothing about taxes. He had, perhaps, a hazy idea that certain taxes were imposed and that some taxes were necessary to run the country, but where they came from he had no idea. As we proceeded and even as we went on with the war the general public did not realize that new taxes were being imposed. They were at that time interested in many other affairs: great expenditures of money were going abroad, and even at that time they did not realize that taxation existed in the form in which it does to-day. But after the war, when we had arrived at more normal times, the public realized to the full and in the most potent way imaginable that there were taxes and heavy taxes at that.

They realized that nothing could be done and that no business could be prosecuted without first of all solving the problem of taxation. And at last it came to be borne in upon the public, a thing which should have been realized and appreciated long before by poor and rich alike, that a tax, no matter how imposed or how collected, is finally borne by the consumer in some form or another. In other words, the man buying from the corner grocery store or from the nearby butcher pays the tax directly or indirectly on what he purchases in exactly the same way as he pays it who buys from the rich city merchant or from the high class jeweller: everyone bears the tax or taxes in proportion to the amount consumed by him in his supplies for his daily needs. There is no getting away from this; in the last analysis, that is where the tax must be borne, no matter how it may be imposed. That being the case, the public became vitally interested in our questions of taxation as well as in our problems of revenue, and they became interested also in the question as to how our expenditures were made. Concerning these matters of interest the public were in a state of confusion. Indeed, the public at the present moment do not sufficiently realize and certainly do not sufficiently appreciate our necessity for revenue nor the need of our expenditures, and I do not think that this confusion and this lack of knowledge can be particularly wondered at; because, after all, although our public accounts are published in a perfectly fair and intelligible manner, easily accessible to members of parliament, and quite open and correct to the expert accountant who cares to look into them, and although they are kept most carefully and faithfully by efficient officials of the department, they are nevertheless published nowadays in such a way that the ordinary man in the street is unable at a glance to understand them. The average taxpayer has neither the time nor the ability, nor has he the opportunity to delve into these accounts as fully as he should in order to get some grasp of public affairs and to realize what revenue is necessary and what expenditure indispensable. It seems to me that we should publish at the end of every fiscal year a simple statement of our accounts so that

the public may obtain the facts and fully realize and appreciate exactly what our taxes are needed for, and how our revenue has been spent. This is done in connection with the British exchequer, which publishes a small leaflet explaining the various revenues from taxes, excise, services, and so forth, showing, not in too great detail but sufficiently to enable the average taxpayer to understand a month or so after the end of the fiscal year, precisely how the taxes are paid and exactly how the expenditures have been made. Unless we take the public into our confidence to that extent and advise them fully as regards our receipts and disbursements, I fail to understand how we can expect them to have an intelligent grasp of the affairs of the country.

I want to pass now to the Speech from the Throne, and before I do so I shall introduce a personal note into the remarks I am about to make. I do not think that any hon. member on the other side of the House can charge me with any lack of candour, nor do I think that any hon. gentleman on this side can accuse me of speaking at any time except in tones of sincerity, although, perhaps in tones of too great independence. But if that independence has been invoked, let me say that it has been asserted simply because of my belief in Liberalism. Liberals all the world over have been free; they have not been bound by any hard and fast or immutable rules, but rather have always been allowed to exercise their judgment as their consciences might dictate. And I can say that I speak with such candour when I declare that having examined the Speech from the Throne I am able to express the opinion that it shows very great vision, far greater vision indeed than has characterized many speeches which I have seen published in many a long day.

Sir HENRY DRAYTON: Oh, oh.

Mr. MARLER: My hon. friend opposite laughs. Well, I will examine the Speech in detail and discuss it with him as I proceed.

Sir HENRY DRAYTON: The door is open.

Mr. MARLER: I repeat, the Speech from the Throne shows great vision; it shows a great advancement over many that have been read in this House before. However, let us examine the document.

Sir HENRY DRAYTON: Hear, hear.

Mr. MARLER: My hon. friend will be saying, "hear, hear" many times before I get through. This is the paragraph to which I have reference at the moment:

> It is to be borne continually in mind that the existing burden of taxation is due mainly to uncontrollable expenditure in the nature of payments and obligations arising out of the war, and to the encumbered position of the National Railways.

Mr. HOCKEN: Great vision.

Mr. MARLER: Let me assure the hon. gentleman that what is there said is absolutely true to the last word, and I will prove it figure by figure and dollar for dollar to the satisfaction of the House before I am through.

Sir HENRY DRAYTON: Whoever challenged it?

Mr. MARLER: I will take up with the ex-Minister of Finance (Sir Henry Drayton) various figures with a view to finding out what is controllable and what is uncontrollable, and also what this government is liable for as against what can be charged to the responsibility of the hon. gentleman's government. I should like, if I may have the permission of the House, to place on Hansard in full a statement, which I shall read briefly, so that hon. gentlemen may have the facts before them. This is a very simple statement, but I have prepared it with the object in view of taking it up item by item and discussing exactly what our expenses have been, so that we may decide for ourselves the accuracy or otherwise of what is therein set forth. Receipts for the fiscal year ending 31 March, 1924, were as follows:

Receipts for the fiscal year ending 31 March, 1924:		
A. From ordinary sources not war—consisting entirely of customs and excise—and a comparatively small sum from interest on investments—and excluding revenue from services in departments.. ..	165,345,546	
B. From war taxes—such as income, business, profits, sales, cheques, receipts, transportation, trust and loan companies, banks and interest on advances to Imperial and foreign governments..	204,862,739	
		370,208,285
Total—almost entirely from taxes..		370,208,285
This revenue excluding railway expenditure was expended as follows:		
1. Interest on the non-war debt; subsidies to provinces, judges and pre-war pensions; salaries of Governor General and Lieutenant Governors and superannuation of civil employess..	44,068,155	
2. Cost of services in the Departments less revenue from such services..	86,217,737	
3. Interest on war debt and cost but not administration of European war pensions.	140,344,941	

4. War services—comprising administration of European war pensions; soldiers' civil re-establishment; Soldiers' Settlement Board—less casual revenue from these services —and administration and collection of income and business profits taxes..	13,873,288	
5. War—demobilization..	446,083	
6. Canadian Merchant Marine	1,500,000	
7. Highways under Canada Highways Act 1919..	4,066,210	
8. Capital such as canals, buildings, harbours and docks..	10,551,821	
9. Miscellaneous capital	1,420,820	
10. Expenditure on loan flotations..	7,705,543	
		310,194,598
Balance..		60,013,687

I am leaving out for the moment railway expenditure, which I will deal with separately later on. That makes a total expenditure of $310,000,000.

Now, Sir, it is an elementary fact that increase in taxation must follow increase in expenditure; there is no other way of getting around it. If we spend more we have to tax the people more. Consequently I want to examine with you, Mr. Speaker, the reasons for the increase in the various items of taxation which has taken place, and the only year to compare that increase with is the last pre-war year, namely, 1914. In 1914 our taxation amounted to $128,000,000, in 1924, $370,000,000, or an increase of $242,000,000. This increase was caused by an increase of our expenditure from $106,000,000 in 1914 to $310,000,000 in 1924, exclusive in both years of railway expenditure, or an increase of $204,000,000. Our increase in expenditure was due to these causes:

	1914	1924	Increase 1924
War and war services..	.....	162,369,855	162,369,855
Canadian Merchant Marine..	.....	1,500,000	1,500 000
Canada Highways Act..	.....	4,066,210	4,066,210
Interest on non-war debt..	13,380,689	29,231,778	15,851,089
Subsidies to the provinces..	11,280,469	12,386,136	1,105,667
Judges and pre-war pensions..	311,900	968,616	656,716
Salaries Gov. Gen. and Lt. Governors..	129,666	128,727	939 D
Superannuation of civil employees..	443,557	1,352,898	909,341
Services in the departments..	65,235,269	86,217,737	20,982,468
Capital expenditure..	15,569,841	11,972,641	3,597,200 D
	106,351,391	210,194,598	203,843,207

In 1914 of course there was no war; in 1924 our war and war services cost $162,000,000. The expenditure on our merchant marine and the Canada Highways Act I have already enumerated. The interest on our non-war debt came to $29,000,000 and our subsidies to the provinces amounted to $12,000,000. In other words, the difference of $203,000,000 is made up by over $178,000,000 representing war and war services and interest on the public debt. Let me make this perfectly clear and perfectly distinct to the House, because it is important not only to us here but also to the country to know that $178,000,000 of that increase of $203,000,000 is on account of war and war services and interest on the public debt having an increase for all other services of $25,000,000. Not a very large increase between 1914 and 1924. But further than that, this paragraph that I have just read from the Speech from the Throne speaks about controllable and uncontrollable expenditures. Here again what the Speech says is perfectly correct in every way. The expenditures I have mentioned Mr. Speaker, amounted to $310,000,000, of which $192,000,000 was not controllable, and another $13,000,000 was only in part controllable, owing to war services; so we can say that $206,000,000 out of the $310,000,000 was totally uncontrollable expenditure which could not be reduced. Those are the exact figures taken from the public accounts, and I think hon. members can accept them as being correct.

But I want to make another comparison, Mr. Speaker, which is of very great importance, and that is of the controllable expenditure between the year 1914 and the year 1924, because after all there is where the test lies. The test lies not in what is uncontrollable expenditure. That uncontrollable expenditure will go on notwithstanding anything the government may do. The controllable expenditure, on the other hand, is expenditure which, although a measure only, the government has some control over. Let me repeat, the controllable expenditure between 1914, the last pre-war year, and the controllable expenditure of 1924 is the comparison I am about to make, and I think these figures will somewhat surprise hon. members. They

are taken from the public accounts. The controllable expenditure of 1914 amounted to $78,397,000, and in 1924 it was $103,000,000; an increase of $25,000,000.

Now, Sir, I do not say that our expenditure in 1924 was as low as it should have been. I believe at that time that we had got into very extravagant ways. But that is not the point at all. The point is that the public became used to certain services in 1914, the war intervened, the value of the dollar depreciated very much indeed, and the real comparison of the public wants to-day is between the cost of the services they had before the war and the cost of the same services to-day. The figure which I have given of $25,000,000 is the increased cost of those services.

But I want to go a step further, with all due regard to my friends opposite. In that controllable expenditure are certain items for which this government was in no way responsible, and I am treating the fact with the utmost candour and the utmost sincerity, because I believe the public should be put in possession of the facts irrespective of everything else. In that $25,000,000 there were items such as expenditure on our merchant marine, the Canada Highways Act and the Victoria shipowners, amounting to over $6,000,000, which leaves the difference between the controllable expenditure in 1914 and in 1924, for which this government is responsible, at the sum of $19,000,000. Now, if you realize the reduced value of the dollar, if you compute quickly in your mind the fact that the controllable expenditure for the selfsame service was $78,000,000 in 1914, you cannot say that an increase of $19,000,000 is out of all proportion for the year 1924.

Much has been said and much has been written on the question of departmental expenditure, the cost of the departments has been criticized to a very great extent in the public press and elsewhere, and it has been said that we have retained in the departments many officials whose services might well be dispensed with, that the cost has been built up to an extraordinary extent, and as a consequence the country was being deprived of revenue and paying taxation which should not have been imposed upon it. Well, the net cost of the departments—because it is only right to take off revenue derived from the services of some of them—in 1914 was $65,000,000, while in 1924 it was $86,000,000, or an increase of approximately $20,000,000, which does not seem to be excessive. I do not say that an attempt should not be made to bring the cost down, but owing to the vast increase in what has to be collected, when we realize that the revenue from taxes in 1914 amounted to $128,000,000, as against $370,000,000 in 1924, when we realize that the disbursements in 1914 were $185,000,000, and in 1924 $334,000,000, we cannot say that the cost of government to-day is a great deal more than it should be or that the cost can be severely cut down.

There is another question that I desire to take up before leaving these figures, a question that I have looked into with some care, and one in which I think not only hon. members but the public generally have some concern. Indeed, my right hon. friend who leads the opposition (Mr. Meighen) brought this matter up in his address a few days ago. He was quoting, as he will remember, Speeches from the Throne of other years. He quoted from the Speech of 1923, and he used these terms:

> Do you realize, Mr. Speaker, why none of these are mentioned this year?

He was speaking about revenue and expenditure.

> For the simple reason that the condition in every instance is distinctly the opposite: instead of a decline in the public expenditure and an increase in the public revenue there has been to date a decline of $50,000,000 odd in the public revenue and an increase of $2,300,000 in public expenditure.

Surely my right hon. friend is not going to take the figures with respect to the middle of the year and come to the conclusion that they are a criterion of what the expenditure will be for the whole year. Moreover, why should he glory in the suggestion that there has been a reduction in revenue? The only reason there has been a reduction in revenue, is simply because this government has made an attempt, and an honest attempt, to reduce taxes. But further than that, if he will examine the figures with respect to the last year that his government was in power he will find that there was a reduction of $54,000,000 in the revenue in that year. So I do not think his criticism in that regard is well founded. In order to make a fair comparison I submit that it would be proper to take two years of the administration of this government and two years of the administration of the previous government, that is to say, the fiscal years ending March 31, 1921 and March 31, 1922, which were under the control of the previous government, and the fiscal years ending March 31, 1923 and March 31, 1924, which were under the control of this government. A comparison of those figures, would, it seems to me, be eminently fair in every way. I have made that comparison, and I would like also to have this table put upon Hansard:

	1921-1922	1923-1924
Not controllable expenditure	396,036,227	385,443,814
War services partly controllable..	66,228,857	31,261,033
Services in departments in part controllable..	182,008,085	168,792,462
Merchant marine..	24,273,856	7,479,856
Canada highways..	3,934,009	9,920,606
Capital, canals, buildings, harbours, docks..	23,650,266	18,958,515
Miscellaneous capital charges	408,709	2,297,655
Total all heads, except railways..	696,539,999	624,153,941
Total expenditure not controllable..	396,036,227	385,443,814
Total expenditure in part controllable..	300,503,772	238,710,127
Total expenditure as detailed above..	696,539,999	624,153,941

For the years 1921 and 1922, therefore, the total expenditure, in part controllable, was $300,503,000, and in 1923 and 1924, under the same heads, it was $238,000,000, or a decrease in the two years of $62,000,000. In addition to that, if certain items such as those I have spoken of are taken off—the merchant marine and other expenditures of that description—the decrease, instead of being $62,000,000, will amount to about $80,000,000.

Now, I want to return to the question that I started out first of all to speak about, and to which the Speech from the Throne also makes reference in very clear and distinct language. I am sorry, Mr. Speaker, that these figures are so terribly unpalatable, but they have to be given in order to make this point quite clear. The Speech from the Throne says:

> It is apparent that even the most rigid economy in public expenditures will not suffice to solve this pressing problem and the problem of taxation incidental thereto.

That is another general statement, and it is correct. An examination of the public accounts for the year, item by item, will show that it is practically impossible to cut off expenditure under any of those items. Take our war taxes, which in 1924 amounted to $370,000,000: these taxes were in payment of our war debt and in payment also of our pensions and of administration as regards war services. It is true we had a surplus in that respect of $50,000,000. While on the question of war taxes may I suggest to the government that if at all possible these taxes in respect to war services be segregated from all others. The people have borne these taxes, have endured their stagnating influence for many years without a murmur, and they have done that because they have felt that these were war taxes and for war purposes. I do not say it is possible to do it, but if it could be done it would be highly desirable to segregate them for that particular purpose. The war debt could then be gradually eliminated and the taxes correspondingly reduced.

4 p.m.

Taking our ordinary taxes, of which I have spoken previously, these represented expenditures connected with the cost of the departments, the Canadian Government Merchant Marine, highways, and other items—for the present I leave out railway expenditure. The large increase in that class of taxation is without a doubt represented by the interest on the non-war debt. In 1914 the interest on the non-war debt amounted in round figures to $13,000,000; in 1924 it amounted to $29,000,000, an increase of $16,000,000.

I do not want to go back particularly to the past for the purpose of dealing with our past expenditures, but we are all well aware of what happened at the beginning of this century. We were all imbued with the idea that the twentieth century was to be "Canada's century." You heard that from the Atlantic to the Pacific; everybody had it, rich and poor, young and old. As a consequence we involved ourselves in vast expenditures. We increased our manufacturing plants. We trebled our railways. We urged our farmers in the west to hurry up, to take up more land, to extend their activities, and this of course, involved the requirement of greater credits. But the public have been inclined to say: "Oh, it is the politicians who have done all this. It is the politicians who have been responsible for all this expenditure, the politicians who have asked us to enter upon this extravagance." Well, Sir, all I can say in that regard is this: Remember what happened in connection with the building of the Grand Trunk Pacific and the National Transcontinental. Examine, if you will, the resolutions of boards of trade in all parts of this country, which begged and prayed the government of that day to proceed with the construction of the National Transcontinental and the Grand Trunk Pacific. Examine what railway men like Wainwright and Hays said. Examine the petition to the government signed by Wainwright, Hays and the late Senator Cox, who said that with all possible speed the new railway should be built from the Atlantic to the Pacific. More than that, you can examine the various proceedings of the Grand Trunk shareholders in England who, without a dissenting voice and with prolonged cheers, declared that the Grand Trunk Pacific project was not only necessary for Canada but necessary for the saving of the Grand Trunk itself. These were their words at the shareholders'

meetings. That being the case, it seems foolish for the public not to realize that they have been just as much responsible as the government of that day and the governments that followed for the expenditures which did take place in this connection.

In discussing this particular paragraph in the Speech from the Throne, and the truth in substance of that statement, we must remember that this vast expenditure in the days gone by has had a very pronounced effect upon the taxation of the present. Our expenditure in those days was out of all reason; it was a mad, drunken orgy of expenditure, and we are paying for it now in taxation which we cannot escape. We entered upon all these enterprises with our eyes wide open and there is no reason why we should now go into mourning and say we did not realize what was going on.

Take, for example, the figures as regards capital expenditure, and I may say the comparisons I am about to give are of very considerable interest. In the five years from 1896 to 1900 we expended in railway subsidies and in building canals, harbours and docks some $34,000,000. In the period from 1901 to 1905 we increased that capital expenditure to $54,000,000. In the five years from 1906 to 1910 that expenditure increased from $54,000,000 to $134,000,000. From 1911 to 1915, entirely exclusive of war outlays, our capital expenditure increased to $197,000,000; and from 1916 to 1920 it rose to $251,000,000.

As I say we cannot get away from paying the interest on these various obligations which we have incurred. I do not think we can very seriously cut down departmental expenditure, as one can see from a careful analysis of that expenditure. There have been increases in the expenditure of the great departments, for example, of Customs and Excise, Post Office and Finance. There have been great increases in the revenue collected, and great increases in the services. In other departments, such as Agriculture, Interior, and Health, again there have been increases, but those increases, Mr. Speaker, are due, in so far as anyone can see to the demands from the public for the rendering of certain services, and expenditure cannot be cut down in these departments unless the public itself is willing to do without the services which it had before the year 1914. We can make up our minds to that situation very clearly and very distinctly. If we want those services we have to pay for them. That expenditure must be met by taxation, and that taxation must come out of the pockets of the people.

There is one item which I hesitate I admit to speak about in this House but which it seems to me should be spoken about no matter how unpopular it may be. A very good plan, very earnest gesture on our part would be to cut down our own indemnities.

Some hon. MEMBERS: Hear, hear.

Mr. MARLER: I do not hear any great applause to that suggestion.

Mr. CALDWELL: We will help you.

Mr. PRITCHARD: May I put a question to the hon. gentleman whose speech I am enjoying very much?

Mr. MARLER: Certainly.

Mr. PRITCHARD: He mentions this plan of retrenchment. I would ask is not the increase in uncontrollable expenditure largely due to the increase of salaries?

Mr. MARLER: It has been increased to some extent by salaries, to the cost of living bonus and the betterment of salaries, but the public services have grown to a very large extent. These services were asked for by the public and the public is now paying for them. However, I am quite serious in this respect: A very effective measure would be to cut down our own indemnities. If we want to cut down taxes why should we not give that gesture to the public and say we are willing to cut down our indemnity. Why should we go to our constituencies and say "You cannot have this and cannot have that," and yet keep for ourselves the increase that was made in our indemnities. There is no reason why we should not do as I suggest, no reason why we should not give an example to the rest of the country by doing it.

Miss MACPHAIL: By what amount would you suggest the indemnity should be reduced?

Mr. GERVAIS: According to the number of children.

Miss MACPHAIL: Hear, hear.

Mr. MARLER: In answer to my hon. friend from Southeast Grey I would reduce the indemnity to the amount it was before the war.

Now, Mr. Speaker, in brief let me repeat what I said a few moments ago as to reducing taxation by cutting down expenditure: While we may be able to cut down that expenditure in part, while we may be able to cut down capital expenditure in part, while we may be able to do without some of these services

which I think we should do without, while we may be able to cut down our own indemnities—all that is a drop in the bucket as regards the reduction in taxation. And again the Speech from the Throne is correct when it says:

> It is apparent that even the most rigid economy in public expenditures will not suffice to solve this pressing problem and the problem of taxation incidental thereto.

So we come down to the point, also stated in the Speech from the Throne that this expenditure and this taxation the country is undergoing to-day is due to one main cause and that cause is the encumbered position of our National Railways. Had we not our railway expenditure, had we not to put forward every year large sums of money on our railways, had we not to build those railways up as they have had to be built up under both governments—I am not complaining about what the other government did—and had we not to put aside this huge sum of money every year—I want to make this point clear and distinct to every member of the House—we would have a surplus that we could apply as regards reduction in taxation. We could see our way clear to a reduction of taxation and in time a very considerable reduction in taxation if the railway problem was not on our hands.

That being the case let us discuss for a moment the Canadian National Railways, and then I will pass on to another subject. The Canadian National Railways, as every member knows, is an amalgamation of four separate groups—the old Canadian Government railways, the Canadian Northern, the Grand Trunk Pacific and the Grand Trunk. These railways during their separate existence incurred very many obligations. These obligations were incurred by the railways, they were not directly assumed by us, but other obligations were directly guaranteed. Other obligations were contracted from time to time in the names of the railways guaranteed by the Dominion, or contracted by the Dominion itself for railway purposes. The point I want to make is this: It does not seem to make any difference whether we actually assumed these particular debts which the railways had at the time, whether these particular debts were incurred by the Canadian National Railway in its present corporate capacity or indirectly by the government. All these debts of the railways have, as a matter of fact, become the obligation of this country. I am not discussing the question of accounts at all, I am simply discussing a practical business matter. Here we have these railways. We own them. When we took them over, as I have said, they had a considerable funded debt secured on the lines and ranking prior to many of the obligations which we ourselves had guaranteed. Those securities, issued against the various parts of the line—and I will again ask permission to put the schedule explaining them into Hansard—amount to $328,000,000. After that there were securities guaranteed by ourselves to the extent of $470,000,000. That is to say the total securities which we would have to pay before we could recoup ourselves for any cash we put into these lines amount to $798,000,000. In addition to that we advanced to these various bodies, either separately or to the system as a whole, another $773,000,000 and we expended on the Canadian government group $494,000,000. To strike a balance, although I do not think it is correctly insertable, Canadian Northern 5 per cent income stock, which only bears interest in the event of its earning, to the amount of $24,000,000 appears in the schedule referred to. But leaving that amount in there is involved in these railways the huge sum of $2,000,000,000.

This is our liability and expenditure on capital account as of 31 December, 1923:

Securities issued against various parts of the roads which would require to be paid in order to preserve the system intact—of which $93,574,377 are guaranteed by certain of the Provinces..	328,588,298
Securities guaranteed by the Dominion.. ..	470,372,100
Total securities which would require to be paid before the Dominion would be able to save the cash it has advanced with respect to Canadian Northern, Grand Trunk Pacific and Grand Trunk groups..	798,960,398
Cash has been advanced to the roads comprised in these three groups including $16,601,064 to the whole system.. ..	773,422,946
Expenditure on the Canadian Government group..	494,888,251
Total cash advances..	1,268,311,297
To balance cost include Canadian Northern 5 per cent income stock which is subject to interest when earned.. ..	24,137,846
The addition of these figures represents the cost of the system and the money involved—which is..	2,091,409,541

Now these amounts were advanced in various proportions. The Canadian Government Railways, as I have just said, consumed $494,000,000, the Canadian Northern over $800,000,000 and the Grand Trunk Pacific $284,000,000, and so on. This is the exact expenditure.

Canadian Government Railways..	$494,888,351
Canadian Northern..	807,238,232
Grand Trunk Pacific..	284,202,876
Grand Trunk..	465,979,018
Canadian National (whole system)..	39,101,064
Total..	$2,091,409,541

I want to impress upon hon. members of this House just exactly what that railway situation is, and also that in order to work out a reduction in taxation, the railway situation must be solved at all hazards. That is the crux of the whole situation. I do not think the railways are making the progress they should make under present conditions, and that progress is not being made, not because the management is not doing its utmost, not because the government is not doing its utmost to help that management, but simply because it is impossible for the railways under present conditions to increase their traffic earnings. It is quite true that an improvement has been made. In 1920 there was a deficit of fixed charges of $26,000,000 and at the end of 1923 that had been turned into a surplus of $13,000,000. That would look in the first instance as though there had been an improvement of $39,000,000; but that was the operating improvement, and a very acceptable operating improvement it was, but you have to take off that operating improvement the fixed charges, to say nothing of the money which is owed to us. Take the fixed charges off and also take into consideration that during those four or five years which I have had under review we expended, in order to make that increase, something like $314,000,000, losing the interest on that amount. There is $100,000,000 in interest still unpaid, and the net gain in the years in question, you will find after working it out in the most careful way, has not been greater than $16,500,000.

Mr. WOODSWORTH: Does the hon. gentleman not think that a rearrangement of the service between the two great systems might not materially cut down the cost of operation?

Mr. MARLER: Yes, without a doubt. I will come to that in a moment. I daresay that this large expenditure which is being incurred by the railways every year may not have to go on. Perhaps we have got to a point when the trains will stay on the tracks now; but in any event that expenditure may have to be continued. But let me say, Mr. Speaker, that the people of this country have got to the limit of their endurance with regard to taxation, and they will not, I can assure you, Sir, stand for very much more expenditure for spectacular locomotives, or spectacular advertising or radios or matters of that description. All these pleasing little things will have to be cut out, because the people of this country have reached the limit of their endurance.

I will now take up the question asked me by the hon. member for Centre Winnipeg (Mr. Woodsworth)—railway competition. I had made a note in regard to that question. As we all know in this country we have the two great railway systems, the Canadian Pacific and the Canadian National. Now we want healthy and fair competition between these two railways, and it is in our interest to have such a healthy and fair competition, but it is not in our interest to have stupid competition, it is not in our interest to have duplication, nor is it in our interest to have a spectacular movement on the part of any of these great railway companies. It is not in our interest to have so many trains run on one line and an equal number of trains run on the other line in the same territory. There is no sense in it and no object to be gained in so far as the Canadian National Railway is to be concerned. Nor is there any object to be gained so far as the Canadian Pacific is concerned. Unless these two railways come to some agreement themselves, it seems to me it is high time that parliament should step in and make them come to some sensible agreement, in order that the foolish duplication should not be continued.

Now let us ask ourselves how this railway problem can be solved. I again turn to the Speech from the Throne which says:

> Their ultimate solution lies largely in increased production and the development of new and wider markets.

There is no question about that at all. It is the only way we can solve our railway problem. We can do what we will, we can spend as much money as we will, and we can avoid as much duplication as we will, but we will never solve the railway problem until we build up the country by more production and more profitable production. That is the only way we can solve our railway problem. Then we come back, Mr. Speaker, to the same old question and we face the vicious circle—exactly the same question. It is a question of more people, more hard work, more wise economy and less expenditure, which does not mean no expenditure at all. That is the position in which we find ourselves. That is the position in which we are after we analyze the situation in every possible way. After we go through every channel possible in regard to our expenditure in taxation, we come down again as I say to the question of more people, more profitable production and more hard work. I say that the people of this country are to-day looking to us to find out in what way we can relieve them of their problem. We stand challenged to-day by the people of this country to find in what

manner we can relieve them of the many pressing burdens, which burdens are not overwhelming, although they are serious and have to be taken into consideration. But the problem of procuring more people, the problem of keeping our young manhood in Canada and the problem of more profitable production, all of which are associated, and all of which are inter-dependent, might perhaps seem to some to be almost impossible to overcome. Those who hold that view, who say that these matters are overwhelming, and that they are insuperable, simply lack courage in their country; they do not realize that we have a sound and a safe foundation on which to build. They do not realize that we have our natural resources and our other industries which by perseverance we have built up. They do not realize that we in this country are in a position to give diversified employment to everybody who may come here. The solution is to apply to those natural resources and to those industries policies which will conserve one and develop the other, and increase thereby profitable production, thereby attracting more people.

Sir HENRY DRAYTON: That is not in the Speech from the Throne.

Mr. MARLER: The Speech from the Throne makes precisely that statement in words which I will give the House.

Mr. VIEN: The hon. gentleman did not read that paragraph.

Mr. MARLER: After the witticisms of my hon. friend from West York (Sir Henry Drayton) I will continue. These questions of profitable production and of securing more people for this country I admit are not without their difficulties, but the only way in which we can overcome them is by realizing those difficulties and doing our best to overcome them. We will never overcome them so long as we think in terms of Ontario and Quebec, or in terms of the east and the west. We have to think of them in terms of Canada and Canada only. That is the only way by which we will be able to overcome our difficulties in this country. These difficulties are known to you; perhaps they need not be repeated, but in order to continue the trend of my argument I am going to take the liberty of repeating some of them to the House, because they follow out very largely what I have been saying.

The first of these difficulties is our geographical situation. Canada is not a compact country. It is not a country with a moderately dense population; it is a country stretching across the continent with an extremely scattered population, settled, perhaps, in a way in which it should never have been settled, but nevertheless, settled as it has been. In the United States, settlement was made gradually towards the west. In this country our settlement was far flung to all corners. This country, instead of being a compact country, one which could be easily governed, is, as a matter of fact, divided into four distinct parts, each of which is separated from the other by natural obstacles more or less difficult. We have the Maritimes separated from the industrial central provinces of Ontario and Quebec by a long stretch of sparsely settled country; we have the central provinces of Quebec and Ontario separated from the prairie section by a long stretch of wilderness, and we have the Pacific province of British Columbia, separated from the prairie section by the Rocky mountains. The division of this country in that particular way is not the only difficulty. In each of those particular divisions there has grown up different viewpoints, different industries, very often different from those in other parts of the country, and different economic views of life. Another difficulty is that we have along our whole southern border the richest, one of the most populous nations of the world, constantly influencing us in many ways we do not perceive and do not understand, constantly acting as a magnet for our population, rendering our position in this country perhaps the most difficult of any country in the world.

All those influences give rise to various factors. Our widely scattered population and great distances give rise to questions of transportation; our different industries in the different parts of Canada give rise to questions of tariffs and our proximity to the United States gives rise to questions of labour, taxation and competition. With those various differences in the geographical situation and in the industrial life of this country, I cannot see how anybody can say that a fixed and decided policy can be formulated which will apply to the whole of Canada. A policy for example fashioned in the terms of the Maritimes might not suit the provinces of Ontario and Quebec; a policy fashioned in the terms of Ontario and Quebec might not suit the prairie section, and it is conceivable that a policy fashioned in the terms of the prairie sections might not suit other parts of Canada. What, therefore, should we attempt to do? We should fashion policies which would encourage as much as possible the basic industries in every part of the Dominion. But in doing that, someone will say to us: Yes, you encourage an industry there and you

discourage an industry elsewhere. In other words there is a conflict of interest, a conflict of economic forces. That may happen, it cannot be denied, with our far-flung population in the various parts of this country. But where a certain policy framed to encourage an industry in one particular section of the country prejudicially affects an industry in another section, the industry unfavourably affected should be given some compensating factor in order that it may get on in the best way possible without feeling the burden unduly.

Mr. WOODSWORTH: Would the speaker encourage some sort of zoning policy by which each section would be allowed to choose its own particular policy, protection or free trade?

Mr. MARLER: I should certainly not encourage such a policy at all, for this reason. If we are ever going ahead in this country, we must go together as Canada and Canada alone. I will come to that later. If one section of this country wants help, the rest of the country must come along and help that particular section. To divide the country up into zones and peoples is the most unheard of thing that any man can conceive.

Perhaps all in this House are not prepared to concede that special consideration should be given to the various sections of Canada. I do not say and I do not think it is correct to put it in a way that special privileges are afforded to a special section of the country. I think special consideration must be given to each of those four great sections if the various industries in those particular sections are to be built up, accorded every facility of being built up and therefore profitable production coming about. I know—and I say so quite clearly, distinctly and advisedly—that in my city of Montreal and province of Quebec there are people who say that a policy which may be good for Montreal or the province of Quebec is good for the rest of Canada. I do not at all share the opinion of those people. Never will I stand up and gather together one body of the people in the east to controvert and to be opposed to a section of the west. The success of this country is bound up in the whole working together of its component parts, each assisting the other to the fullest extent of its ability, and the country as a whole bearing certain burdens which are necessary to promote basic wealth or basic industries in any particular part of this Dominion. Others come forward and say, that the policies which were in vogue in the year 1900 should be good in the year 1925. Some say that the policies of statesmen in the year 1900 should be applied to this present date. I do not think so, and I do not see how such can be brought about. Those who say so do not realize the changed conditions that have come over this country. They do not realize that Canada in 1925 is an entirely different Canada from what it was in 1900. They do not appreciate the fact that we have to take conditions, not as we found them in 1900, but as we find them at this very day, and we must work out those conditions as we now find them. Who in the world can say that Canada of 1925 is the same as it was in 1900? The year 1900 was about the time that we started on our mad career of expenditure that I spoke about earlier in my remarks. In the two decades after 1900 we spent more than $600,000,000; we doubled our manufacturing establishments and more than doubled our output. We trebled our railway facilities until we had more railways per capita than any other country in the world. The war came along and a certain check was put to that; but during the war vast sums of money were spent again, and we took up the manufacturing of various commodities that we had not thought of before. After the war we still continued with our spending and, as a result of that, our debt increased to over two billion dollars. Our taxes increased from $50,000,000 to over $400,000,000 but during all this time did our population double or treble as it was expected to do? Not at all. It increased barely 65 per cent. Therefore we find ourselves in the year 1925, as compared with the year 1900, with three times the equipment in railways, double the manufacturing establishments, eight times the taxation and ten times our national debt. Can anyone say that conditions in 1925 are comparable with conditions in 1900?

There is another matter of equal significance, and it is this. In the year 1900 west of the Great Lakes there lived about 500,000 people whereas in 1925 there is a population there of 2,500,000. In 1910 there was west of the lakes 11 per cent of the whole population, whereas in 1925 there is 22 per cent of the population. These figures perhaps may mean nothing; to some they are probably only figures. But the basic industries of those 2,500,000 people are very different from those that operate in the east. We must recognize that fact, for there is no use shutting our eyes to it. That is why I say that every section of this country has its own peculiar difficulties; every section of the country has its industries which we must do our utmost to promote, and it is only by means of all working together in a spirit of tolerance that we can ever get along and make of this Can-

ada the country which we expect it to be some day. It would be impossible, with all the ingenuity at one's command and in spite of one's greatest inventive genius, to devise a policy which would be fair and equitable to the whole country unless there were some spirit of tolerance evident in its provisions. In Canada we have to exert every energy of which we are capable and develop all the resources at our disposal if we are ever to advance the country as a whole, as it should be advanced. And the kind of policy we need is a national policy, framed with due regard to all sections of the community, in so far as we can possibly make it so, a policy which will be Canadian and which any member of this House might stand up and truly describe as a national policy. We need a policy which we can call Canadian and not one which must be spoken of as Progressive or Liberal or anything of that kind, a policy which will commend itself to all the citizens of one great country. That is the only kind of policy under which this country will ever make progress.

I want to illustrate some of my remarks in this regard. I spoke a moment ago about compensating factors and about the necessity of considering certain sections of the country in order that the basic industries of those parts might be developed. Let me refer particularly at the moment to the Maritime provinces; and I want hon. gentlemen if they will bear with me to consider that great section of Canada. There we have a splendid land, a great people, great natural resources in the way of coal, magnificent harbours, and the greatest fisheries in the world, besides many other assets too numerous to mention. And from those provinces, as we know, there are in this House an able minister of the crown and able members of parliament. With all these assets, one would imagine that that part of the country would have progressed. But it has not progressed; it has not held its own in natural increase during the past twenty years. Its industrial establishments have steadily gone down and the people are leaving the Maritimes for the United States. Now, what can we do to help the Maritime provinces? What can the rest of Canada do to help that great section of the country? There is no use shutting our eyes to the fact that there exist in that part of the country conditions that call for some remedy. Can we not use the coal of the Maritime provinces in Quebec and in a part of Ontario to a greater extent than we do? Some say that it would cost a trifle more. So it would; but would not that be a great help to the Maritime provinces? Could we not use its ports more than we do, and decide that as regards the Maritimes the British preferential tariff shall apply only in the case of goods coming through Canadian ports? Could we not use the ports of Halifax and St. John more than the port of Portland, certainly as regards traffic originating in Canada? Why could we not avail ourselves of these facilities and so build up that part of the country and, consequently, the whole Dominion, by means of a Canadian policy? There is no reason in the world, it seems to me, why this should not be the case. And why should not transportation rates be reduced in the Maritimes in order that their products might be brought up to the central provinces? And if the railways could not make a sufficient profit then the country should give them compensation.

The Speech from the Throne, as I have said, shows great vision; it shows that this government has had in mind the merits of the situation. It declares, as regards this particular question of transportation,—and I am sure it will be applied in a fair way:

> It is the opinion of my advisers that the attention of parliament at the present session should be directed more particularly to the desirability of effecting a freer movement of commodities through an equalization of railway freight rates as between provinces and localities.

I say that this question of transportation is one of the greatest problems we have before us to-day, and I may offer another illustration. Let us take the prairie section. There the question of markets also comes before us; there is the question of bringing cattle to market; there is the question of marketing wheat; and there is the question of transporting coal to the provincial market if possible. Someone will argue in that regard that the freight rates now in vogue are the lowest in the world. But that to me is entirely beside the point; it is not a question as to whether our freight rates from the west to the east or from the Maritime provinces to the west are comparable with those in the United States, even if they are lower or otherwise. That is not the question to be considered. In the United States there is a large intermediate market; here, the foreign market is all important. The question to my mind, and the only question worth considering as regards freight rates, is the necessity of giving to the west such a rate as will enable it to place its products in the markets of the world in competition with similar products from other lands. So far as I can see, that is the only thing worth striving after. Equalization of rates is a term which in the Speech from the

Throne may perhaps be correctly used; but I do not think it is a term that can be properly applied as regards freight rates, because if equalization means a certain rate per mile, that cannot work out inasmuch as the topography of the country, the density of population and a hundred other questions must be considered. What we should bear in mind in the matter of freight rates is, as I say, not the question whether those rates compare with the rates in the United States or in any other country: we need rates that will enable the people to build up the basic industries and promote profitable production so that more people will be induced to enter the country without the necessity for an immigration policy at all.

Incidentally, while we are discussing this question of freight rates, two other questions will occur to us in that regard. The first question is, who is to make these rates; the second it, who is to bear the cost. Opinions may differ on the first question. Some will say that parliament should make the rates. If so, I find it extremely difficult to agree with that opinion. I venture to say that with the sole exception of my hon. friend from West York (Sir Henry Drayton) none of us in this House has a general understanding of the complicated structure of freight rates. My hon. friend from Brandon (Mr. Forke) may know all about freight rates on farm products, my hon. friend from North Bruce (Mr. Malcolm) may know all about freight rates on furniture, some other of my hon. friends may know all about freight rates on other commodities, but who in this House is capable of taking into consideration comparisons between a ton mile, a freight mile and a passenger mile, what any particular traffic will bear, and half a hundred other questions that arise in this complex matter. We are incapable in this House or in a committee of making up a general structure of freight rates. But there is a body competent to make such a structure—the Board of Railway Commissioners. That body has made a study of freight rates and is competent to deal with the question. Let my point not be misunderstood in that regard, Mr. Speaker. I say the railway commission is the proper body to formulate the general basis of a rate structure; but no one will assert that we in this House should not say, for the purpose of assisting any basic industry in any part of the country, that a specific rate is not advisable in order to bring the product of that particular industry to market.

As to the second question, who is to bear the cost of lower freight rates that we might decide on, this is an important factor also, and hon. gentlemen would be very well advised to take it into their most earnest consideration. Let them bear in mind that we have two great railway systems, the National and the Canadian Pacific, each attempting to the fullest extent of its ability to give good service, but each struggling to live on account of insufficient traffic. To say to the National, reduce freight rates below the cost of living rates fixed by the railway commission, will simply mean that the deficits on that line will be greater, and its officers and employees will be faced with still greater discouragement. If a similar reduction is made in respect of freight rates of the Canadian Pacific, that line also will probably have a deficit, which will affect not only our national financial standing, but our financial standing internationally.

Anyone studying the subject will admit that on account of our geographic situation we must have such transportation rates as will enable the products of the various sections of this country to compete in the markets of the world. It is that geographical situation which we have to overcome, and I believe that any reduction below the general structure of freight rates as made by the railway commission should be borne by the country as a whole, for this reason. It is in the interests of the country generally to promote profitable production in the west and in the Maritimes, because the rest of the Dominion will benefit at the same time.

Now, I have spoken of compensating factors which may require to be given to various sections of the country. I have also spoken of the utter impossibility of formulating a blanket policy which will suit the whole Dominion. I admit freely that there are conflicting interests, and that these will continue until they are wiped out by more population. I do not intend to avoid discussing what perhaps is an unpleasant topic to some, therefore I do not intend to conceal my ideas on certain subjects. I have spoken to some extent and made an attempt to outline a policy as regards the prairie provinces and the Maritimes, but I have made no observations with respect to the central provinces of Quebec and Ontario. I am not anxious to refer to these sections, but I am confident that if I do not deal with them I shall be told I should have given my views with regard to them.

Mr. EULER: Before my hon. friend leaves the question of freight rates, I understood him to say that perhaps the chief factor in our heavy taxation is the deficits of the

National railway. Reduced freight rates east and west, as suggested by him, would necessarily increase those deficits, and I should like to ask him whether this would not aggravate the situation which he has already described as almost unbearable.

Mr. MARLER: The point is well taken. I attempted in the earlier part of my remarks to emphasize that we had locked up in the Canadian National lines a vast sum of money, that the system was not making the progress that it should make by the means at our command, and that the only way in which progress could be made was by having more production and therefore greater freight traffic. I also attempted to make the point that to have greater production we had to have more profitable production in order to attract people to settle in various parts of the Dominion. My claim is that it does not matter how much money we spend in immigration, it does not matter how much advertising we do to attract immigrants, unless people in every section of the country are prosperous it is not a bit of good to bring more people into those sections. I admit that reduced freight rates will cost the country money, I admit that deficits in the meantime will likely increase, but I claim that when we have an increased population making profitable production those deficits will gradually decrease until they are ultimately wiped out entirely.

Mr. EULER: Taxation in the meantime may increase?

Mr. MARLER: It may increase.

Mr. LEWIS: You are not looping the loop?

Mr. MARLER: If we do not loop the loop some way we will loop ourselves another way pretty quickly.

Mr. LEWIS: I have followed the hon. gentleman's remarks fairly well, but if freight rates to and from the Maritime provinces and the prairie provinces are lowered, it simply means that our taxation is going to be increased. The hon. gentleman stated that the consumer ultimately pays taxation. If this increased burden is cast upon the people of the two provinces of Ontario and Quebec, it means increased protection, and higher prices, and you are simply in a vicious circle; you cannot get out of it.

Mr. MARLER: Of course it will cost more to lower railway rates. I said quite distinctly that the cost would be borne by the country as a whole, not necessarily—

Mr. LEWIS: By the consumer.

Mr. MARLER: By the consumer, yes—by the country as a whole not by one particular section or another particular section. Let my hon. friend not misunderstand me: I do not claim for a moment that this is an economic principle that can be defended; I do not think it can be defended in any way. But let me be quite frank in that respect: what is the alternative? What is to be done? How are we in this country to make production profitable? How are we to increase our population, first of all, so that these deficits may decrease? I do not claim that a suggestion of this description is a proper economic suggestion that one would make under any other circumstances.

We are well aware that a great part of the industry of the central provinces of Quebec and Ontario is bound up in manufacturing. All the urban population and many of those who comprise the rural population have interests which are bound up with the manufacturing industries. I want to put the claims of the people of these provinces, as I hear them and as I understand them, frankly and freely before hon. members of this House. I am not going to discuss the merits or demerits of fiscal systems; I am only going to put forward what may be regarded as a reasonable claim. These people say that in order to enable them to develop their various industries, a certain tariff should be maintained so that goods manufactured under more favourable climatic and other conditions than those applicable to goods manufactured in Canada shall not be dumped in here to undersell our Canadian made products. Now, I do not intend to debate the merits or demerits of the tariff systems which have been in vogue in this country. I know that those in certain sections of the country claim that the tariff system is no good, while on the other hand those in other sections say that its maintenance is imperative. But it seems to me that those living in the different parts of the country should know what is best for them; they are the best judges. The hon. member for Brandon (Mr. Forke) distinctly says, "No, this system will not do; we will have none of it." He went on to say, "When the population goes out into the west, see what is ahead of you." Now, I do not take these remarks of the hon. member for Brandon seriously. I think he is too good a Scotchman and has too much sense not to view these matters in a fair light.

5. p.m.

Mr. FORKE: Let me correct my hon. friend's statement. I said that when the

population was in the majority in the west they would probably treat the people in the east as the east now treat the people in the west.

Mr. MARLER: Let us be frank about this thing. We want to try to get at some reasonable and common policy. What is the use of our bandying words across the floor of this House? What is the use of talking about this eastern and this western idea? Let us try to arrive at some common basis on which we can proceed. That is why I am talking here to-day and for no other reason. I would not be bothered talking on this subject at all if I were not desirous of making a reasonable attempt to offer you from the city of Montreal a fair, honest and decent gesture.

Mr. FORKE: Does the hon. member ever find me talking in any other strain?

Mr. MARLER: I was going on to say that I did not for a moment take seriously what my hon. friend said in that respect. I do not for a moment take seriously what the hon. member for Springfield (Mr. Hoey) is reported to have said. I do not think that hon. gentlemen in that quarter of the House have any less sense or any less intelligence than we have in the east; perhaps in some cases they have more. I believe they are just as good Canadians as we are in the east and that they have just as good ideas. I want to see the whole country go ahead. I believe our present differences are due to lack of understanding, to lack of clarity; to the fact that the conditions have not been put before the people of the west as clearly and as fairly as they should have been. That is why I am speaking this afternoon, as representing a part of the city of Montreal, directly to hon. members from the west.

We may as well recognize that there is that conflict of interests. But if it can be plainly shown that a reasonable development tariff is necessary in the country, would it not be fair, if a transportation structure is borne by the remainder of the country, for certain parts to have in the meantime, until our population is built up, until our markets are increased, a reasonable tariff to develop these particular industries?

Mr. GOOD: Would my hon. friend explain to the House how the manufacturers of Quebec and Ontario can get any benefit out of the tariff if they are going to compensate the west for the burden which that tariff imposes on the west?

Mr. MARLER: I am not going to discuss theories with my hon. friend at all. I am sick of theories on this thing. I want to get down to plain business facts.

[Mr. Forke.]

Mr. GOOD: I think the question is a fair one.

Mr. MARLER: Well, I do not understand it.

Mr. GOOD: May I repeat my question?

Mr. MARLER: My hon. friend may repeat it as much as he likes.

Mr. GOOD: Would my hon. friend from Montreal explain how Ontario and Quebec, if they are advantaged at the present time through the tariff, are going to derive any permanent benefit from the tariff if they must pay compensation to the west?

Mr. MARLER: Yes, I will explain that, certainly. Ontario and Quebec want to see the west populated and prosperous; that is why.

Mr. SPENCER: Wipe out the tariff, then.

Mr. MARLER: Wipe out the tariff? My hon. friend is again getting into theories. We have had enough theories from my hon. friend during the last three years in this House; we do not know where we are as regards his theories.

Mr. IRVINE: I notice that.

Mr. MARLER: Let us get down to facts.

An hon. MEMBER: Build the Hudson Bay railway.

Mr. MARLER: Yes, if the Hudson Bay railway is shown to be a good thing I shall be the first to favour it. Certainly I will, but I want to be shown by proper proof that the Hudson Bay railway would be all that it should be. I will support the Hudson Bay railway or anything else for the good of the west if it is shown to be right, but I am not going to support the theories which some of my hon. friends opposite advance.

Mr. BIRD: May I ask a question? Is the hon. member not aware that he is preaching a very advanced doctrine of state socialism?

Mr. MARLER: No, I do not understand anything about state socialism; I understand ordinary business common sense, that is all. I have been a business man for many years and I want to see business go ahead in this country, and go ahead just as much in the prairie section as in the other parts of this Dominion. That is all I am trying to get at, and if I am wrong I will acknowledge it quite freely before this House.

I was going on to say when these theories came up for discussion that we might well consider what the objections are in connection with this much debated subject of tariffs. To those who are opposed to a reasonable tariff for this country I will say that if any of the objections they urge are well founded I shall be the first to favour the wiping out of the objectionable features. What are these objections? The commonest one is that the tariff promotes inefficiency. I do not know whether it does or does not. The second objection is that the manufacturer is taking improper advantage of the tariff. I say again that I do not know whether he is or is not. Another objection is that insufficient revenue is procured from the country on account of the tariff framed as it is and on account of the manner in which it is collected. That may be the case. Another objection, and the last, is that it fosters industries in Canada which enjoy no reasonable measure of success. Now all these objections are objections which, to my way of thinking, and I say it quite frankly, should be investigated. I say further: If any of these objections are well founded I will be the first to stand up in this House and say, "Wipe that objection away."

An hon. MEMBER: Wipe the objection away?

Mr. MARLER: Nothing could be fairer than that. I do not think I could be conscientiously asked to support a tariff that has these objectionable features in it; I do not intend to support a tariff that has any such features in it.

Sir HENRY DRAYTON: I should have thought you would allow the objections.

Mr. MARLER: Did my friend say "Wipe them out?"

Sir HENRY DRAYTON: Allow the objections.

Mr. MARLER: I cannot hear my hon. friend.

Sir HENRY DRAYTON: My hon. friend said that if the objection was good he would wipe it out. I do not think he meant to say that.

Mr MARLER: I am afraid my hon. friend from West York is becoming a theorist also. Sooner or later he will have to seat himself beside my hon. friend the member from Brant (Mr. Good). When that takes place we shall be most delighted to have the joint theories of these two gentlemen. No, I am getting away from theories and trying to get down to facts. In discussing this subject what I want to know, and what hon. gentlemen want to know, is this: Does our present tariff prevent what it should prevent, and does it effect what it should effect? No one can say that it does, and no one can say that it does not. It was in 1907 and since then there have been hundreds and hundreds of changes in the tariff. Now I claim, and I think I correctly claim, that there should be a complete revision of that tariff based on present day conditions and in keeping with what the conditions may be. I go further and say this: That the only way by which that can be brought about is to have a properly constituted tariff board to investigate every item and to find out whether any item is right or wrong. I say that to make our tariff on a hit or miss principle will get us nowhere. We may be imposing burdens we should not impose; there may be disqualifications in the tariff which should not be there and which certainly should be wiped out. But how are we going to find out unless the matter is submitted to a proper tariff board? I do not mean a tariff board that shall make the tariff. That is nonsense; the government will have to take the responsibility itself of making the tariff. I do not intend this to be a board such as functions in the United States, with public hearings or anything of that kind; but we want a board of experts in this country to look into tariff matters continually, to say what is right and what is wrong, and to keep the government fully advised. The Prime Minister mentioned this very fully in his speech on May 15 last, and I am using very largely the very words of the leader of the government.

I have nearly finished every hon. member will be glad to hear, unless there are some more theories to be answered. During the past year, and notably during the past few weeks, we have heard all kinds of reports as regards Canada. We have heard reports as to our expenditures, reports as regards the exodus of our population, and many other reports of the worst kind. I think there is a great deal in certain of these reports and that they will bear careful investigation. My hon. friend from Centre Winnipeg (Mr. Woodsworth) in his very able speech brought up some the other day. All these cases deserve consideration. There is no good burying our heads in the sand and saying everything is beautiful in this country. We have to investigate facts as we find them, and unless we do investigate we will never go ahead. We have heard from within that "Confederation is at stake," and from without that "Our

path is laid to the cave of a dragon with stars on its forehead and stripes on its side, only waiting a favourable opportunity to consume us." All these things we have heard about our country but the peculiar fact is that notwithstanding all these criticisms which have taken place, all these matters which have happened, very few remedies have been brought forward in order to effect a solution. The criticisms have been ample, but the solutions few and far between. I do not wonder at that particular situation. The people of this country are generally working at fever heat. They have no time to particularly investigate national affairs. They know these affairs in a general sort of way. Still, I doubt very much if they know that our national railways have cost $2,000,000,000; I doubt very much if they know that our canals have cost $130,000,000; I doubt very much if they know that we have invested in manufacturing industries in this country over $3,000,000,000. What they do ask is that this vast structure erected, and perhaps unwisely erected, should be made to pay and that taxation should be reduced. They ask us in the meantime to forget our party differences, to some extent at least, and to get down to a reasonable and proper basis and go ahead. After we go ahead and after taxation is reduced we may come down to our party tactics again. But in the meantime—

Mr. SPENCER: Why go back to party?

Mr. MARLER: Again I am not a hazy theorist. I think these things are practical, but I say that in the meantime we should sink any differences we have and try and evolve some policy which will be good and beneficial to the whole of Canada. I say quite frankly, as I said earlier in these observations, that to make a blanket policy for this country is impossible. I say again, as I have said before that compensating factors will have to be given in various sections of the country and the objection taken by my hon. friend the member for North Waterloo (Mr. Euler) was perfectly correct in every way. These compensating factors—the helping of the Maritimes, the helping of the central provinces in a certain way, the helping of the prairie sections in a certain way—will, I know, cost money. I ask: What are we to do, where are we to land, where are we to get off, unless we promote profitable production, unless we get more people into the country. We spend money in immigration every year—the Minister of Immigration and Colonization carries out as good a policy as anyone can carry out—but no policy of immigration, no amount of money spent in immigration, no advertising or propaganda of any kind, will have any lasting or enduring effect unless the people of this country at the present time are prosperous and are engaged in profitable production, and this is the first thing that must be brought about.

Now, what are the alternatives? The alternatives are these: For the people of Canada to make a bold and courageous stand, cost monetarily what it will, for the purpose of building up our population and establishing profitable production. When the population arrives, when that production and further production takes place, any necessity of compensating factors will then cease, and the cost will seem trifling. But if we do not do that, if we do not take our courage in our hands and say that we will help here and we will help there and go ahead in the meantime, what will be the result? We will lose population. More than that we will not be able to keep this great structure we have erected with less people, and then we may find ourselves unknowingly but certainly treading the path towards that cave and that dragon which I spoke of a few moments ago. Why Sir, it is impossible for me to think that we Canadians lack courage in this country. It is impossible for me to think that we have forgotten what our forefathers have done in Canada. It is impossible for me, coming as I do from the province of Quebec, to forget what our French Canadians have done in old Quebec, how they built up that province out of the wilderness, and how the Anglo-Saxon race built up the province of Ontario, the prairie provinces and the province of British Columbia over the Rocky mountains. It is impossible for me to forget these things. It is impossible for me, even in the shortest space of time the human imagination is able to conceive, to believe that we have not in Canada the courage to take this situation in hand; and to bring forward, as I say cost what it will, reasonable and proper policies to encourage profitable production throughout this land, using that policy to provide production and more people. The only way we can get more people, I repeat, is by that production. Give us more people and we will hear nothing about Canada's troubles, we will hear nothing about freight rates or any of these other matters, and the country will blossom like the rose.

Mr. SUTHERLAND: What about a tax on bachelors?

Mr. MARLER: I could not catch my hon. friend's question. Why does he not stand up and ask a question like any ordinary member of this House would do, instead of growling out something from his seat?

Mr. SUTHERLAND: I should like to know whether the hon. member, in order to overcome the difficulty he has referred to fifteen or twenty times, would suggest a tax on bachelors.

Mr. MARLER: Is my hon. friend a bachelor? If he is I would put a large tax on them. I would put such a high tax on bachelors that he would be completely wiped out in a few minutes' time.

As I was saying when my hon. friend for Oxford (Mr. Sutherland) interrupted me at a most inopportune moment, as he usually does—he always interrupts at the most inopportune moments—it is impossible for me to believe that we have not the courage in this country to bring the country forward as we should. It is impossible for me to believe that we cannot, by means of fair and equitable policies, bring this country forward. There is an old saying which I remember reading in some memoirs a few years ago. Hon. gentlemen will remember what Cromwell did. He brought together a body of troops that were never beaten in the field, and his words were:

The secret of success is attack, pursue and rally.

And what we require to do in this country is to attack the problems now before us. What we require to do is to pursue the problems until we overcome them. Let all who are Canadians stand together. Let those who are in favour of fair and decent policies, Mr. Speaker, unsheathe the sword against those who are sectional and unfair. If we do that then I feel confident that this country will pull through and be a united and prosperous people.

Mr. W. F. MACLEAN (South York): I desire to compliment the hon. member for St. Lawrence-St. George (Mr. Marler) upon his courage in coming forward in this House this afternoon and making the professions and suggestions he has made, and intimating his readiness to co-operate with others in this House to solve the great problems before the country to-day. I agree with many of the statements he has made, that we are overtaxed, that we have great burdens, and that we have got to try and settle them. We are here to settle these questions and this is the time to do it. For a short time I will refer to some of the things the hon. member has brought up; I may have to deal with some of his other statements later on. But when he brought up the railway question and spoke of the rumours and cries of despair which we have heard in this country, I thought he was about to state the case of his fellow citizens of Montreal who have no confidence in the country because of certain things in connection with transportation. I thought that the special thing that he had in mind was the national railway which is owned by the people of Canada. I am ready to deal with that question as between the national railway owned in this country by the people, and the other road which holds the good esteem—and is entitled to the good esteem—of the people of Montreal, the Canadian Pacific railway. To introduce what I have to say, I intend to tell the House of a little conference I attended four or five weeks ago when I happened to be in Ottawa. A conference had been called by the Minister of Railways to discuss the proposal in connection with the Peace River railway. I attended that conference, as I had a right to do as a member of this House, and I had letters from some of my friends in the west who asked me to look into the matter. The conference lasted for about two hours, and a great many statements were made. The Canadian Pacific Railway was represented by Mr. Beatty, the Canadian National by Sir Henry Thornton, and the best men of the respective executives of these railways were present. Also the Minister of Railways (Mr. Graham), the Premier of British Columbia, the Premier of Alberta, and others attended the conference, and they all asked questions; but the most significant statement at that conference was made by the Premier of British Columbia, Hon. Mr. Oliver. He said it would be a crime for this country, in its present state to allow two systems of railway to be built into the Peace river country when one would be sufficient. Other gentlemen followed him more or less on the same line, but they did not come quite to the point. Nor did Mr. Beatty, nor Sir Henry Thornton, deal with the crucial point. Many of the representatives spoke, and the Minister of Railways turned to me and said, "We would like to hear from you, Mr. Maclean." I said that I agreed with the statement of the Premier of British Columbia that it would be a crime to build two competing lines into one district of the country, and I thought there should be co-operation or joint action between the two. I had no sooner said that then every man got up and restated his case, and they all said they were absolutely in favour of co-opera-

tion in regard to the project. That was the significant thing in that meeting.

Taking the speech of the hon. gentleman this afternoon dealing with the railway question, I think he has that point in view, but he does not quite care to express it. Let me tell him that we have a Canadian National railway in this country, and it has cost us a great deal of money. It is the greatest publicly owned railway in the world to-day, and the people of Canada absolutely own it. It may have cost two billion dollars, or whatever the hon. gentleman says, but the people of Canada own the Canadian National Railway system. We have another great road, the Canadian Pacific railway. That road is owned by the investing public; and the control of it is not in the city of Montreal, but in the stock market of New York, the stock market of London. That being the case, if the hon. member for St. Lawrence-St. George (Mr. Marler) believes in co-operation and consolidation, inasmuch as the Canadian National is the greater system and has seventy per cent of the strategy of the railway situation in Canada, the co-operation must start by the Canadian Pacific being prepared to co-operate with the Canadian National—the smaller with the greater. In that act of co-operation it must be prepared also, not to sell its lines to the Canadian National—for we could not afford to purchase the Canadian Pacific—but to lease its system to the Canadian National Railways, probably with joint operation under a board taken from the two roads. My hon. friend is in favour of co-operation and of reducing the cost of railways in this country. The cost is too high, it must be reduced. We are trying to do too much; we cannot afford to run half a dozen competing services across the continent. There is no need for two competing lines every day in the year between Toronto and Montreal, or between Toronto and Ottawa, or in other sections. Enormous economies can be effected in connection with the railways and railway transportation in this Dominion. I am simply throwing out the suggestion and saying that I agree largely with what my hon. friend says that he is prepared to accept, but it must be with the Canadian Pacific accepting some kind of arrangement with the National system. The people of Canada will never consent to turning over the Canadian National railway system to the Canadian Pacific which is not controlled by Canadians. If that is the view of my hon. friend, I should like to talk it over with him and I should like to hear whether he is prepared to recommend that the Canadian Pacific come in with the Canadian National and try to solve the problem.

In speaking of what the hon. gentleman said, I give him credit for his fairness. He said a great deal; but many things he did not say. I accept his appearance here to-day not so much as that of one who is prepared to make every sacrifice, but one who comes here to say that the greatest mistake in the economic condition of Canada is that we have public ownership of the National railway system. That is what Montreal is saying to-day. The Montreal press is saying that the shadow of death is over the country; that there is a "whisper of death" in Canada. Let them say that; but the National Railways are an established fact, the people of Canada own them and the National Railways are here to stay. The Canadian Pacific is in existence and it may continue to make a great success. But the Canadian Pacific has no right to attack the National Railways, it was never chartered for that purpose. I want to tell Mr. Beatty and those men who are talking about "whispers of death," that the Canadian Pacific was built for a specific purpose as set out in the charter of that road. It is very simple; it is almost suggestive of the Shorter Catechism with which the leader of the Progressive party (Mr. Forke) is probably familiar, and which says: "What is the chief object of man?"; and the answer is: "To glorify God and enjoy him forever." What is the chief object of the Canadian Pacific railway? It is set out in the act, and it is simply to connect the province of British Columbia with the railway system of Canada in the east. In other words, the chief duty of the Canadian Pacific railway is to build a road from British Columbia to connect with the Canadian railway systems to the east, and in the act there is nothing that says that the chief duty of the Canadian Pacific is to conspire against the National railway system which is owned by the people of Canada. The Canadian Pacific would like to put the Canadian National out of business or to take it over. Montreal, where the "whisper of death" comes from, would like to take it over; but the Canadian people are not going to give up the National system of railways; they never will hear of such a thing. If the Canadian Pacific is willing to co-operate in some way and will come in with some joint arrangement, recognizing the right of the people to own and manage their own railway—and there is nothing more before us now than to do that—they may come in and they will receive a fair hearing. But when the people and press of Montreal say that the shadow of death is over our

country because we have National Railways, that at least recognizes the fact that we have them. How we came to get them, I am not going to detail. I know all about the blunders of the past and about the individuals and firms who wished to get railways and to make money out of them; I know of the visions of various statesmen in connection with railways. That is all past; we must deal now with the fact, and the fact is that the people of Canada own a national system of railways and telegraphs which they intend to hold and develop, and they are prepared to take the Canadian Pacific into some joint arrangement if it will come into it.

Anybody who hears and reads about what is going on must realize that there is this objection to public ownership of railways, as if public ownership were a crime. The fact that we have these roads is thrown at us as a reason why we shall never succeed in this country. The truth of the matter is that the hope of the country lies in the fact that we have the National Railways and that they are dealing with our transportation problems in a great and broad way. If Montreal changes its attitude and says that its main business is to deal with the rest of the country in regard to solving the question of transportation, all well and good.

But an attack is being made now on public ownership in another corner of this country. The people of Ontario have seen fit to spend a good deal of money in creating a provincial system of hydro-electric development and they have made a great success of it. Because Ontario has done this thing, all the enemies of public ownership, not only in Montreal and other parts of Canada, but even in the United States, and especially in Washington where the Smithsonian Institute has made an investigation into our adventure in hydro-electric in Ontario, say that we have failed. The greatest success in public ownership in the world to-day is the hydro-electric system of Ontario. Electric energy is distributed in all parts of the province; it is in every town, every village and it is going into every farmer's house in Ontario. It is the cheapest supply of electrical energy in the world to-day, and it is owned by the people of Ontario. But these people in Montreal are constantly harping about this and they say that Ontario has made a great mistake; that Adam Beck has in some way humbugged the people. I happen to know many of the public men of this country. I knew Sir John A. Macdonald, I knew Sir Wilfrid Laurier, I have sat in this House for a long time; and of all the public men that I have met in the affairs of this country, two outstanding men in connection with Ontario's affairs are Sir William Meredith and Sir James Whitney. These two men, early in their career, saw this question coming up, and Sir James Whitney, who happened to be Premier of Ontario, had the courage to meet Adam Beck and to say to him: "Adam Beck, all right, I will give you a chance. You must be square with me and carry out this undertaking." The authority was given him, as well as the money, and he made a great success of the enterprise. And to-day the glory of Ontario and the source of its development is this great supply of hydro-electrical energy for power, for light, and for the domestic convenience of every citizen of the province. It has proved a marvellous success despite the fact that it is cursed and damned in all parts of Canada, and especially in the United States, and for the same reason that the National Railways have been anathematised. In an English story I was reading the other day, I came across a character who was designated the Beaver because of the fact that, like that animal, he was always "damning." Now, there are a lot of "beavers" in this country; they are all the time damning, and they are damning particularly public ownership, morning, noon and night. But in spite of all that they may say against it public ownership will vindicate itself.

I want to direct the attention of hon. gentlemen to another great instance of the success of public ownership which is the surprise of the world to-day. It is not quite in Canada in connection with the National Railways nor is it to be found in Ontario in connection with the hydro-electric development that has taken place in that province. No; the greatest example of public ownership in the world to-day is the national reserve bank system of the United States which is absolutely under public control. Congress has forced all national banks in that country into membership in the national reserve system, and they are all successful in that co-operation. They are all glad to be in it although they were all "beavers" at the time of its origination. They are glad, I say, to be in it and they are proud of its success. And what is behind that system that makes it the hope of the world to-day and a possible solution for the difficulties of the nations? It is the interest which the government of the United States has taken in it; that government has backed it up with immense accumulation of capital and its supply of gold. The national currency which it issues is given to the banks throughout the United States for the purpose of developing their commerce and industry

and enterprises of various kinds. And they have not lost a dollar thereby. This, I say, is the greatest example of public ownership the world has known; and moreover, it is entirely successful. We may have to have the same thing in this country, and Montreal is getting alarmed. Indeed, warning has already gone out to beware of this menace of national banking. I should think that Winston Churchill, now Chancellor of the Exchequer in Great Britain, if he were desirous of getting out of his troubles, might very well avail himself of the present opportunity to create a great national reserve bank system with headquarters in Canada. It would be a great source of assistance to him, it would involve no danger to Canada, and it would help us in a large measure to solve the problem of reparations.

I was surprised that my hon. friend (Mr. Marler) did not say that his great grievance was public ownership of national railways. But it seems to me a waste of time for anybody to condemn public ownership. All highways in the country are under the control of the public; the public controls education and the administration of justice, in that it has to maintain these services; and it has many other public services and utilities under its ownership. Yet, if one were to heed the statements of gentlemen in Montreal, it is a great mistake that all these things should be under public control. For my own part, I regard it as a matter for congratulation that the principle of public ownership is spreading, and in view of that fact it seems to me that Montreal must be prepared to change its attitude.

My hon. friend dealt with the tariff and things of that kind. There is a good deal to be said for some kind of co-operation, and as there is a diversity of interests throughout the country we must consider these things. And we shall, in time. But I think that first of all Montreal must change its attitude in regard to public ownership. The people there do not believe in the development of the St. Lawrence waterway either; they think that the seaport of Canada must remain at the mouth of the St. Lawrence. But some of us in the west think that the St. Lawrence development will go on, and that even Toronto and Buffalo, Detroit and Cleveland and Duluth, will be seaports. Montreal, however, will not listen to that; it has already denounced the proposition in regard to the development of the waterways, apparently because it is afraid of national ownership or international development in that respect. In regard to some of the things which the hon. member said about the tariff and all that, I agree that there should be some consideration of the questions he has brought up, and undoubtedly the five sections into which he divides the country must meet and talk these things over and make concessions one to another. Probably something will be accomplished that way, but it will take some time. What the remedy is I will not suggest to-night; I cannot do that. We have industries which we must protect; and in that connection one is reminded that in free trade England the pronounced tendency to-day is the anxiety to safeguard home industries. That is the very question which is before us in Canada at the present time. They are talking that way in England and the idea may grow with them. Under these conditions we cannot afford to destroy our industries; we must retain them, and I believe that the people of the west will yet be reasonable in that matter.

This is all I have to say to-night on this point. We are going to have a debate on the fiscal policy of the country a little later and I intend on that occasion to state my views. But my main object to-night is to direct the attention of hon. gentlemen to a certain incident that has happened within the last few days and touching which I am preparing myself for a discussion in which I must take a part, probably on Monday: I refer to the question of the constitution of Canada. The greatest attack that has been made on Canada has been made within the last few days in the judgment which has been delivered by the Judicial Committee of the Privy Council in connection with the Industrial Disputes Investigation Act passed in this House seventeen years ago. The constitution of Canada is being shot to pieces by the decisions of the Judicial Committee in Great Britain. Now as a Canadian I am here to protest against that decision and against the fact that the Judicial Committee of the Privy Council in England can shoot holes in our constitution. They have a right to interpret the British North America Act, and probably they are fair in their interpretation, but I would direct the attention of the House to their decision. I am not going to read the whole of it, but I want to have it placed on Hansard so that it will form a basis for the discussion that will take place on Monday next, when I am told my motion to give Canada the right to make and amend her constitution will be reached. The judgment is reported as delivered by Viscount Haldane, with whom were associated Lord Dunedin, Lord Atkinson, Lord Wrenbury, and Lord Salvesen. It begins in this way:

It is always with reluctance that their Lordships come to a conclusion adverse to the constitutional validity of any Canadian statute that has been before the public for years as having been validly enacted, but the duty incumbent on the judicial committee, now as always, is simply to interpret the British North America Act and decide whether the statute in question has been within the competence of the Dominion parliament under the terms of section 91 of that act.

The judgment continues:

The particular exercise of legislative power with which their Lordships are concerned is contained in a well-known act, passed by the Dominion parliament in 1907, and known as the Industrial Disputes Investigation Act.

This is the concluding paragraph.

As the result of consideration, their Lordships have come to the conclusion that they ought humbly to advise the sovereign that the appeal should be allowed, and that judgment should be entered for the appellants for the declaration and injunction claimed.

That is, seventeen years after this act was passed the Judicial Committee of the Privy Council declares it ultra vires. Well, if the people of Canada after seventeen years' experience are to have a law set aside like that—and for fifty-seven years somebody has been shooting holes in the British North America Act—they do not know where they are ... and it is time to bring this sort of thing to an end. My object to-night in putting this judgment on Hansard is to let the people know that the Dominion has no more to do with its constitution than the man in the street that this parliament can be told any day of the week that it has acted ultra vires. We cannot get along under a constitution of that kind. I am a 100-per cent Canadian when that issue comes up. My position is that we are no longer in tutelage, we are the equal of the Mother Country, and being her equal we have the right to make our own constitution; and with that right we have also the absolute right to set up our own supreme court for the interpretation of that constitution. And we are going to have our own constitution. England is ready to give us the privilege. I am not blaming England; I am blaming Canada, I am blaming this parliament that for fifty-seven years has allowed this state of affairs to continue. I am going to appeal to the Prime Minister (Mr. Mackenzie King) and to the Minister of Justice (Mr. Lapointe)—they may not answer me to-night, but they will have to answer me when the question comes up on Monday—to state that Canada should have the absolute right to make her own constitution and to have it interpreted in her own courts. As I have said, England is prepared to give us that right. More recently created dominions have been given the right to amend their constitutions and to do certain things in connection therewith, under restrictions. South Africa in a measure has that power, but most of all Australia has it. I have a book on the subject—I will probably use it on Monday—from which it appears that Australia can make her own constitution and change it whenever she likes. South Africa is moving in the same direction. We shall be granted the same power if we have courage to ask for it.

We are a confederation. The greatest confederation known to the world to-day is the United States, and the outstanding feature in their constitution is the right of the people, under due restrictions to prevent precipitate action, to amend it. Congress can amend the constitution, and any state can initiate a movement for the same purpose, and in that way they have built up the greatest supreme court in the world. I say that with all respect to the courts of England. They have made wonderful progress in constitutional law. We have got to do the same thing. We are not going to have to submit our constitution to the Judicial Committee of the Privy Council for interpretation. They know very little about us, they do not care very much for us, they are concerned chiefly with England; and while I have great respect for the judges who gave the judgment which I have quoted from, I think they are probably obscured by the mists of Glasgow and the coy trivialities of Edinburgh. We can deal with these questions much better in our own country; in fact, the only place to deal with them is in Canada. Do you know that the people of England have a remarkable constitution? Wait until I tell you what the powers of the British parliament are. I quote a few lines from Sir Erskine May's Parliamentary Practice:

The legislative authority of parliament extends over the United Kingdom, and all its colonies and foreign possessions; and there are no other limits to its power of making laws for the whole empire than those which are incident to all sovereign authority—the willingness of the people to obey, or their power to resist.

The British constitution is the greatest in the world to-day. The British parliament can repeal the Magna Charta, can alter the succession to the crown, can disestablish the Church of England, can do anything it likes, and that by a single act of parliament. We cannot do anything like that, but we ought to have the freedom here in Canada to make our own constitution or to change it as we like. England is prepared to give us that power, but so far our parliament has not had the courage to ask for it. We have let the Judicial Committee of the Privy Council make our constitution.

Now, I want this judgment of the Judicial Committee of the Privy Council put on the record for to-day so that the people of Canada may see it. One of the ministers told me it was the intention to have it published, but that does not quite give the public access to it. I want the newspapers to publish it; I want the people to be able to get their copies of Hansard to-morrow and see this judgment therein. So far as the judgment itself goes, I cannot say it is wrong, and I concede the uprightness and the ability of the judges of the judicial committee. But I want the people of Canada to settle these things, not the Judicial Committee of the Privy Council. The great value of being able to interpret our constitution right here at home is this: If there is anything wrong or anything unfair it can be corrected here—it cannot be corrected in an English court.

[For judgment referred to by Mr. Maclean, see p. 133.]

Somebody may say, "But what about the appeal to the foot of the Throne? Well, whom does this appeal to the foot of the Throne chiefly concern? It concerns minors and natives. It is the Indian of Canada who takes credit out of the fact that he has the right to appeal to the foot of the Throne. Do you think the people of Canada have got to appeal to the foot of the Throne to have the rights that they ought to have constitutionally? Why, we are treated as colonials—that is what we are called, and we deal with the Colonial Office. How much longer shall we have to do that? True, they have gone so far in England as to say that hereafter they will deal with us through the Foreign Office. Perhaps that is a step up, but I do not even agree with that. The constitution of Canada should be made in this country and should be interpreted by the courts of this country. Moreover, it must be enforced in Canada, and if it is wrong it must be corrected by the Parliament of Canada.

Having said that and having got it on the record, I shall be prepared on Monday next, when my proposal in this connection comes up in the House, to discuss it at greater length and to give my reasons why I think this anomaly must cease. I hope there will never be another decision of the Judicial Committee of the Privy Council concerning the interpretation of the constitution of Canada. I believe the interpretation will be here and the correction of it will be here. I believe that when the question is fully discussed a cure will come. In fact, I am confident that an announcement will come from England any day that Canada has only to ask the right to make and to mend her own constitution and it will be readily granted to her.

Motion (Sir Eugene Fiset) agreed to.

On motion of Mr. Mackenzie King, seconded by Mr. Macdonald (Pictou), it was ordered that the Address be engrossed and transmitted to His Excellency the Governor General by such members of this House as are of the honourable the Privy Council.

SUPPLY

Right Hon. W. L. MACKENZIE KING (for the Minister of Finance) moved:

That this House will on Friday next resolve itself into a committee to consider the supply to be granted to His Majesty.

Motion agreed to.

WAYS AND MEANS

Right Hon. W. L. MACKENZIE KING (for the Minister of Finance) moved:

That this House will on Friday next resolve itself into a committee to consider of the ways and means for raising the Supply to be granted to His Majesty.

Motion agreed to.

OCEAN SHIPPING RATES

REPORT ON, AND ACTION CONCERNING NORTH ATLANTIC STEAMSHIP COMBINE

Right Hon. W. L. MACKENZIE KING (Prime Minister) moved:

That 800 copies in English and 200 copies in French, of the report of W. T. R. Preston in respect to the North Atlantic steamship combine, laid on the table of the House on the ninth instant, be printed forthwith for distribution to senators and members; and that rule 74 be suspended in relation thereto.

Sir HENRY DRAYTON: I would like to ask if at the same time the government would table the contract with the firm that has been referred to in the press?

Mr. MACKENZIE KING: There is a bill to be brought down, and when the bill is brought down I assume the request of my hon. friend will be met. I would like first to have an opportunity of conferring with the minister in regard to the matter.

Sir HENRY DRAYTON: The only reason I point that out is that we will understand the report very much better when we see how effect is given to it.

GRAIN INQUIRY COMMISSION

Right Hon. W. L. MACKENZIE KING (Prime Minister) moved:

That 425 copies in the English language and 75 copies in the French language of the report of the Royal

Grain Inquiry Commission, laid on the table of the House on Monday, the ninth of February, 1925, be printed forthwith for distribution to senators and members; and that rule 74 be suspended in relation thereto.

Motion agreed to.

ADJOURNMENT—BUSINESS OF THE HOUSE

Mr. MACKENZIE KING: In view of the conclusion of the debate on the Address, I move that the House do now adjourn.

Mr. MACLEAN (York): What will be the business to-morrow?

Mr. MACKENZIE KING: We will follow the order paper. Possibly my hon. friend (Mr. Maclean) would be prepared to go on with his resolution.

Mr. MACLEAN (York): I have already made an arrangement with the Minister of Justice (Mr. Lapointe) to go ahead on Monday. I am certainly ready to go on to-morrow, but I do not think the notice of motion is on the order paper for to-morrow. I would like to ask Mr. Speaker about that.

Mr. MACKENZIE KING: We may reach it by that time.

Mr. MACLEAN (York): I am ready to go on.

Sir HENRY DRAYTON: Before we get away from that question, has my hon. friend tabled the estimates?

Mr. MACKENZIE KING: The estimates will be tabled to-morrow.

Motion agreed to and the House adjourned at 6.07 p.m.

[The following is the judgment referred to by Mr. Maclean, (York) at p. 132.]

Privy Council Appeal No. 99 of 1924

The Toronto Electric Commissioners, Appellants

v

Colin G. Snider and others, Respondents

and

The Attorney-General of Canada and The Attorney-General of Ontario, Interveners

from

The Appellate Division of the Supreme Court of Ontario.

Judgment of the Lords of the Judicial Committee of the Privy Council, delivered the 20th January, 1925.

Present at the Hearing:

Viscount Haldane, Lord Dunedin, Lord Atkinson, Lord Wrenbury, Lord Salvesen.

[Delivered by Viscount Haldane.]

It is always with reluctance that their lordships come to a conclusion adverse to the constitutional validity of any Canadian statute that has been before the public for years as having been validly enacted, but the duty incumbent on the Judicial Committee, now as always, is simply to interpret the British North America Act and to decide whether the statute in question has been within the competence of the Dominion parliament under the terms of section 91 of that act. In this case the Judicial Committee have come to the conclusion that it was not. To that conclusion they find themselves compelled, alike by the structure of section 91 and by the interpretation of its terms that has now been established by a series of authorities. They have had the advantage not only of hearing full arguments on the question, but of having before them judgments in the courts of Ontario, from which this appeal to the Sovereign in Council came directly. Some of these judgments are against the view which they themselves take, others are in favour of it, but all of them are of a high degree of thoroughness and ability.

The particular exercise of legislative power with which their lordships are concerned is contained in a well-known act, passed by the Dominion parliament in 1907, and known as The Industrial Disputes Investigation Act. As it now stands it has been amended by subsequent acts, but nothing turns, for the purposes of the question now raised, on any of the amendments that have been introduced.

The primary object of the act was to enable industrial disputes between any employer in Canada and any one or more of his employees, as to "matters or things affecting or relating to work done or to be done by him or them, or as to the privileges, rights and duties of employers or employees (not involving any such violation thereof as constitutes an indictable offence)," relating to wages or remuneration, or hours of employment; sex, age or qualifications of employees, and the mode, terms and conditions of employment; the employment of children or any person, or classes of persons; claims as to whether preference of employment should be given to members of labour or other organizations; materials supplied or damage done to work; customs or usages, either general or in particular districts; and the interpretation of agreements. Either of the parties to any such dispute was empowered by the act to apply to the Minister of Labour for the Dominion for the appointment of a board of conciliation and investigation, to which board the dispute might be referred. The act enabled the Governor in Council to appoint a registrar of such boards, with the duty of dealing with all applications for reference, bringing them to the notice of the minister, and conducting the correspondence necessary for the constitution of the boards. The minister was empowered to establish a board when he though fit, and no question was to be raised in any court interfering with his decision. Each board was to consist of three members, to be appointed by the minister, one on the recommendation of the employer, one on that of the employees, and the third, who was to be chairman, on the recommendation of the members so chosen. If any of them failed in this duty the minister was to make the appointment. The department of the Minister of Labour was to provide the staffs required. The application for a board was to be accompanied by a statutory declaration showing that, failing adjustment, a lockout or strike would probably occur.

The board so constituted was to make inquiry and to endeavour to effect a settlement. If the parties came to a settlement the board was to embody it in a memorandum of recommendation which, if the parties had agreed to it in writing, was to have the effect of an award on a reference to arbitration or one made under the order of a court of record. In such a case the recommendation could be constituted a rule of court and enforced accordingly. If no such settlement was arrived at, then the board was to make a full report and a recommendation for settlement to the minister, who was to make it public.

The boards set up were given powers to summon and to enforce the attendance of witnesses, to administer oaths and to call for business books and other documents, and also to order into custody or subject to fine, in case of disobedience or contempt. The board was also empowered to enter any premises where anything was taking place which was the subject of the reference and to inspect. This power was also enforceable by penalty. The parties were to be represented before the board, but no counsel or solicitors were to appear excepting by consent and subject to the sanction of the board itself. The proceedings were normally to take place in public.

By section 56 of the act, in the event of a reference to a board, it was made unlawful for the employer to lockout or for the employees to strike on account of any dispute prior to or pending the reference, and any breach of this provision was made punishable by fine. By section 57, employers and employed were both bound to give at least thirty days' notice of an intended change affecting conditions of employment with respect to wages or hours. In the event of a dispute arising over the intended change, until the dispute had been finally dealt with by a board and a report had been made, neither employers nor employed were to alter the conditions, or lockout or strike, or suspend employment or work, and the relationship of employer and employee was to continue uninterrupted. If, in the opinion of the board, either party were to use this or any other provision of the act for the purpose of unjustly maintaining a given condition of affairs through delay, and the board were so to report to the minister, such party was to be guilty of an offence and liable to penalties.

By section 63 (a), where a strike or lockout had occurred or was threatened, the minister was empowered, although neither of the parties to the dispute had applied for one, to set up a board. He might also, under the next section, without any application, institute an inquiry.

Whatever else may be the effect of this enactment, it is clear that it is one which could have been passed, so far as any province was concerned, by the provincial legislature under the powers conferred by section 92 of the British North America Act. For its provisions were concerned directly with the civil rights of both employers and employed in the province. It set up a Board of Inquiry which could summon them before it, administer to them oaths, call for their papers and enter their premises. It did no more than what a provincial legislature could have done under head 15 of section 92, when it imposed punishment by way of penalty in order to enforce the new restrictions on civil rights. It interfered further with civil rights when, by section 56, it suspended liberty to lockout or strike during a reference to a board. It does not appear that there is anything in the Dominion act which could not have been enacted by the legislature of Ontario, excepting one provision. The field for the operation of the act was made the whole of Canada.

In 1914 the legislature of the province of Ontario passed a Trade Disputes Act which substantially covered the whole of these matters, so far as Ontario was concerned, excepting in certain minor particulars. One of these was the interference in the Dominion act with the right to lockout or strike during an inquiry. This was not reproduced in the Ontario act. Another difference was the necessary one that the operation of the Ontario act was confined to that province, instead of extending to other parts of Canada. It was, of course, open to the legislatures of the other provinces to enact similar provisions, and some of them appear to have done so.

Subject to variations such as these there is, in the Ontario act, little alteration in substance of the provisions of the Dominion statute. The Lieutenant-Governor of the Provincial Council, instead of the Minister of Labour, appoints the registrar. There are to be set up two different kinds of statutory council, one of conciliation, the four members of which are to be nominated by the parties, the other a council of arbitration, consisting of three members, two of whom are to be appointed by the lieutenant-governor of the province on the recommendation of the parties, and the third, the chairman, to be nominated by the lieutenant-governor on failure of the parties to agree and name. The mayor of any city or town in the province, on being notified that a strike or lockout is impending, may inform the registrar of the fact, and a council of arbitration may then be empowered to inquire and to mediate. Unless there is an agreement by one or both of the parties, in which case the award of the council may be enforced as on an arbitration, there is no power given to suspend the right to strike or lockout.

It is clear that this enactment was one which was competent to the legislature of a province under section 92. In the present case the substance of it was possibly competent, not merely under the head of property and civil rights in the province, but also under that of municipal institutions in the province. For the appellants are incorporated, by the province, a public utility commission within the definition in chapter 204 of the Revised Statutes of Ontario, 1914, relating to the constitution and operation of works for supplying public utilities by municipal corporations and companies, and are employers within the meaning of the Ontario Trade Disputes Act already referred to. Their function is to manage the municipal electric light, heat, and power works of the city of Toronto.

The primary respondents in this appeal are the members of a board of conciliation appointed by the Dominion Minister of Labour under the act first referred to. There was a dispute in 1923 between the appellants and a number of the men whom they employed, which dispute was referred to the first respondents, who proceeded to exercise the powers given by the Dominion act. The appellants then commenced an action in the Supreme Court of Ontario for an injunction to restrain these proceedings, on the allegation that the Dominion act was ultra vires. The Attorneys-General of Canada and of Ontario were notified and made parties as intervenants.

There was a motion for an interim injunction, which was heard by Orde J., who, after argument, granted an injunction till the trial. The action was tried by Mowat J., who intimated his dissent from the view of the British North America Act, taken by Orde J., who was co-ordinate in authority with him, according to which view the Dominion act was ultra vires. He, therefore, as he had power by the Provincial Judicature Act to do, directed the action to be heard by a divisional court, and it was ultimately heard by the Appellate Division of the Supreme Court of Ontario (Mulock C. J., Magee, Hodgins, Ferguson and Smith J. J. A.). The result was that by the majority (Hodgins J. A. dissenting) the action of the appellants was dismissed.

The broad grounds of the judgment of the majority, which will be referred to later on, was that the Dominion act was not a law relating to matters as to which section 92 conferred exclusive jurisdiction, but was a law within the competence of the Dominion parliament, inasmuch as it was directed to the regulation of trade and commerce, throughout Canada, and to the protection of the national peace, order and good government, by reason of (a) confining, within limits, a dispute which might spread over all the provinces; (b) informing the general public in Canada of the nature of the dispute; and (c) bringing public opinion to bear on it. The power of the Dominion parliament to legislate in relation to criminal

law, under head 27 of section 91, was also considered to apply.

Before referring to these grounds of judgment their lordships, without repeating at length what has been laid down by them in earlier cases, desire to refer briefly to the construction which, in their opinion, has been authoritatively put on sections 91 and 92 by the more recent decisions of the Judicial Committee. The Dominion parliament has, under the initial words of section 91, a general power to make laws for Canada. But these laws are not to relate to the classes of subjects assigned to the provinces by section 92, unless their enactment falls under heads specifically assigned to the Dominion parliament by the enumeration in section 91. When there is a question as to which legislative authority has the power to pass an act, the first question must therefore be whether the subject falls within section 92. Even if it does, the further question must be answered, whether it falls also under an enumerated head in section 91. If so, the Dominion has the paramount power of legislating in relation to it. If the subject falls within neither of the sets of enumerated heads, then the Dominion may have power to legislate under the general words at the beginning of section 91.

Applying this principle, does the subject of the legislation in controversy fall fully within section 92? For the reasons already given their lordships think that it clearly does. If so, is the exclusive power prima facie conferred on the province trenched on by any of the over-riding powers set out specifically in section 91? It was, among other things, contended in the argument that the Dominion act now challenged was authorized under head 27, "the criminal law, except the constitution of courts of criminal jurisdiction, but including the procedure in criminal matters." It was further suggested in the argument that the power so conferred is aided by the power conferred on the Parliament of Canada to establish additional courts for the better administration of the laws of Canada.

But their lordships are unable to accede to these contentions. They think that they cannot now be maintained successfully, in view of a series of decisions in which this board has laid down the interpretation of section 91 (27) in the British North America Act on the point. In the most recent of these cases, that of the Reciprocal Insurers ([1924] A.C. 328, at p. 342), Mr. Justice Duff stated definitely the true interpretation, in delivering the judgment of the Judicial Committee. Summing up the effect of the series of previous decisions relating to the point, he said:

"In accordance with the principle inherent in these decisions their lordships think it is no longer open to dispute that the Parliament of Canada cannot, by purporting to create penal sanctions under section 91, head 27, appropriate to itself exclusively a field of jurisdiction in which, apart from such a procedure, it could exert no legal authority, and that if, when examined as a whole, legislation in form criminal is found, in aspects and for purposes exclusively within the provincial sphere, to deal with matters committed to the provinces, it cannot be upheld as valid."

In the earlier Board of Commerce case ([1922] A.C. 191) the principle to be applied was laid down in the same way. It was pointed out that the Dominion had exclusive legislative power to create new crimes "where the subject matter is one which, by its very nature, belongs to the domain of criminal jurisprudence." But "it is quite another thing, first to attempt to interfere with a class of subject committed exclusively to the provincial legislature, and then to justify this by enacting ancillary provisions, designated as new phases of Dominion criminal law, which require a title to so interfere as the basis of their application."

Their lordships are of opinion that, on authority as well as on principle, they are to-day precluded from accepting the arguments that the Dominion act in controversy can be justified as being an exercise of the Dominion power under section 91 in relation to criminal law. What the Industrial Disputes Investigation Act, which the Dominion parliament passed in 1907, aimed at accomplishing was to enable the Dominion government to appoint anywhere in Canada a board of conciliation and investigation to which the dispute between an employer and his employees might be referred. The board was to have power to enforce the attendance of witnesses and to compel the production of documents. It could under the act enter premises, interrogate the persons there, and inspect the work. It rendered it unlawful for an employer to lockout or for a workman to strike, on account of the dispute, prior to or during the reference, and imposed an obligation on employees and employers to give thirty days' notice of any intended change affecting wages or hours. Until the reference was concluded neither were to alter the conditions with respect to these. It is obvious that these provisions dealt with civil rights, and it was not within the power of the Dominion parliament to make this otherwise by imposing merely ancillary penalties. The penalties for breach of the restrictions did not render the statute the less an interference with civil rights in its pith and substance. The act is not one which aims at making striking generally a new crime. Moreover, the employer retains under the general common law a right to lockout, only slightly interfered with by the penalty. In this connection their lordships are therefore of opinion that the validity of the act cannot be sustained.

The point was also put in a somewhat different form. It was said that the criminal law of Canada was in its foundation the criminal law of England as at 17th September, 1792; that, according to the criminal law of England as at that date, a strike was indictable as a conspiracy; that, consequently strikes were within the ambit of the criminal law; and that, as a law either declaring strikes illegal as at common law, or making them illegal would be a proper enactment of the criminal law, so, though this is rather a non sequiter, it was only a branch of that law to enact provisions which should have the effect of preventing strikes coming into existence.

It is not necessary to investigate or determine whether a strike is per se a crime according to the law of England in 1792. A great deal has been said on the subject and contrary opinions expressed. Let it be assumed that it was. It certainly was so only on the ground of conspiracy. But there is no conspiracy involved in a lockout; and the statute under discussion deals with lockouts pari ratione as with strikes. It would be impossible, even if it were desirable, to separate the provisions as to strikes from those as to lockouts so as to make the one fall under the criminal law while the other remained outside it; and, therefore, in their lordships' opinion this argument also fails.

Nor does the invocation of the specific power in section 91 to regulate trade and commerce assist the Dominion contention. In Citizens Insurance Company v Parsons (7 A.C., at p. 112) it was laid down that the collocation of this head (No. 2. of section 91), with classes of subjects enumerated of national and general concern, indicates that what was in the mind of the Imperial legislature when this power was conferred in 1867 was regulation relating to general trade and commerce. Any other construction would, it was pointed out, have rendered unnecessary the specific mention of certain other heads dealing with banking, bills of exchange and promissory notes, as to which it had been significantly deemed necessary to insert a specific mention. The contracts of a particular trade or business could not, therefore, be dealt with by Dominion legislation so as to conflict with the powers assigned to the provinces over property and civil rights relating to the regulation of trade and commerce. The Dominion power has a really definite effect when

applied in aid of what the Dominion government are specifically enabled to do independently of the general regulation of trade and commerce, for instance, in the creation of Dominion companies with power to trade throughout the whole of Canada. This was shown in the decision in John Deere Plow Company v Wharton ([1915] A.C., at p. 340). The same thing is true of the exercise of an emergency power required as on the occasion of war, in the interest of Canada as a whole, a power which may operate outside the specific enumerations in both sections 91 and 92. And it was observed in the Alberta case, in reference to attempted Dominion legislation about insurance, that it must now be taken that the authority to legislate for the regulation of trade and commerce does not extend to the regulation, for instance, by a licensing system, of a particular trade in which Canadians would otherwise be free to engage in the provinces (see [1916] 1 A.C., at p. 596). It is, in their lordships' opinion, now clear that, excepting so far as the power can be invoked in aid of capacity conferred independently under other words in section 91, the power to regulate trade and commerce cannot be relied on as enabling the Dominion parliament to regulate civil rights in the provinces.

A more difficult question arises with reference to the initial words of section 91, which enable the parliament of Canada to make laws for the peace, order and good government of Canada in matters falling outside the provincial powers specifically conferred by section 92. For Russell v The Queen (7 A.C., 829) was a decision in which the Judicial Committee said that it was within the competency of the Dominion parliament to establish a uniform system for prohibiting the liquor traffic throughout Canada excepting under restrictive conditions. It has been observed subsequently by this committee that it is now clear that it was on the ground that the subject matter lay outside provincial powers, and not on the ground that it was authorized as legislation for the regulation of trade and commerce, that the Canada Temperance Act was sustained (see the Alberta case [1916] 1 A.C., at p. 595). But even on this footing it is not easy to reconcile the decision in Russell v The Queen with the subsequent decision in Hodge v The Queen (9 A.C., 117) that the Ontario Liquor License Act, with the powers of regulation which it entrusted to local authorities in the province, was intra vires of the Ontario legislature. Still more difficult is it to reconcile Russell v The Queen with the decision given later by the Judicial Committe that the Dominion licensing statute, known as the McCarthy Act, which sought to establish a local licensing system for the liquor traffic throughout the Dominion, was ultra vires of the Dominion parliament. As to this last decision it is not without significance that the strong board which delivered it abstained from giving any reasons for their conclusion. They did not in terms dissent from the reasons given in Russell v The Queen. They may have thought that the case was binding on them as deciding that the particular Canada Temperance Act of 1886 had been conclusively held valid, on the ground of fact that at the period of the passing of the act the circumstances of the time required it in an emergency affecting Canada as a whole. The McCarthy Act, already referred to, which was decided to have been ultra vires of the Dominion parliament, was dealt with in the end of 1885. Ten years subsequently another powerful board decided the case of Attorney-General for Ontario v Attorney-General for the Dominion and the Distillers' and Brewers' Association ([1896] A.C., 348). Lord Herschell and Lord Davey, who had been the leading counsel in the McCarthy case, sat on that board, along with Lord Halsbury, who had presided at it. In delivering the judgment, Lord Watson used in the latter case significant language:—

"The judgment of this board in Russell v Regina has relieved their lordships from the difficult duty of considering whether the Canada Temperance Act of 1886 relates to the peace, order and good government of Canada in such a sense as to bring its provisions within the competency of the Canadian parliament."

That decision, he said, must be accepted as an authority to the extent to which it goes, namely, that

"The restrictive provisions of the Act of 1886, when they have been duly brought into operation in any provincial area within the Dominion, must receive effect as valid enactments relating to the peace, order and good government of Canada."

The board held that, on that occasion, they could, not inconsistently with Russell v The Queen, declare a statute of the Ontario legislature establishing provincial liquor prohibitions, to be within the competence of a provincial legislature, provided that the locality had not already adopted the provisions of the Dominion act of 1886.

It appears to their lordships that it is not now open to them to treat Russell v The Queen as having established the general principle that the mere fact that Dominion legislation is for the general advantage of Canada or is such that it will meet a mere want which is felt throughout the Dominion, renders it competent if it cannot be brought within the heads enumerated specifically in section 91. Unless this is so, if the subject matter falls within any of the enumerated heads in section 92, such legislation belongs exclusively to provincial competency. No doubt there may be cases arising out of some extraordinary peril to the national life of Canada, as a whole, such as the cases arising out of a war, where legislation is required of an order that passes beyond the heads of exclusive provincial competency. Such cases may be dealt with under the words at the commencement of section 91, conferring general powers in relation to peace, order and good government, simply because such cases are not otherwise provided for. But instances of this, as was pointed out in the judgment in the Fort Frances Pulp case ([1923] A.C., 695), are highly exceptional. Their lordships think that the decision in Russell v The Queen can only be supported to-day, not on the footing of having laid down an interpretation, such as has sometimes been invoked of the general words at the beginning of section 91, but on the assumption of the board, apparently made at the time of deciding the case of Russell v The Queen, that the evil of intemperance at that time amounted in Canada to one so great and so general that at least for the period it was a menace to the national life of Canada so serious and pressing that the national parliament, was called on to intervene to protect the nation from disaster. An epidemic of pestilence might conceivably have been regarded as analogous. It is plain from the decision in the Board of Commerce case that the evil of profiteering could not have been so invoked, for provincial powers, if exercised, were adequate to it. Their lordships find it difficult to explain the decision in Russell v The Queen as more than a decision of this order upon facts, considered to have been established at its date rather than upon general law.

The judgments in the courts below express differing views. Orde J. granted an interim injunction, restraining the first respondents from interfering with the business of the appellants and from entering on their premises, or examining their works or employees, and from exercising their compulsory powers as a board of conciliation and investigation under the Dominion Act, and from interfering with the property and civil or municipal rights of the appellants. He held that the Dominion legislation interfered with provincial rights under section 92 in a fashion which could not be supported under any of the enumerated heads in section 91, and therefore could not be sustained by invoking the general words with which that section commences. The decision in the Fort Frances Pulp

case (ubi supra) afforded no analogy on which such a contention as this last could be based.

Mowat J., dissenting from this reasoning, referred the trial of the action to a divisional court. He thought that the legislation in question was a matter of national importance, dealing with a subject which affected the body politic of the Dominion, as in Russell v The Queen (ubi supra).

In the Appellate Division, Mulock, C. J., Smith, J. A., and Magee, J. A., concurred in the judgment delivered by Ferguson, J. A. That learned judge held that the act in question was not, "in its pith and substance," an act relating to merely provincial matters falling within section 92, but related to industrial disputes which might develop into disputes affecting, not only the immediate parties, but the national welfare, peace, order and safety. He cited the analogy of the Australian Constitution Act, which, by section 51, placed such disputes within the competence of the Australian parliament when they extended beyond the limits of any single state. He was of opinion that, even if the Dominion legislation actually interfered with provincial powers, it might be supported if necessary as dealing with the interests of the peace, order and good government of Canada, but he thought that it was not necessary to go further in point of principle than to treat Russell v The Queen (ubi supra) as showing that, where an abnormal condition in a great emergency demanded it, the parliament of Canada might legislate for such a case without even trenching on the powers allocated to the provinces under section 92. He also thought that the act was not one to control or regulate contractual or civil rights, but that its object was to authorize inquiry into conditions or disputes, and that the prevention of crimes, the protection of public safety, peace and order, and the protection of trade and commerce, were of its pith and substance and paramount purpose. The act could also be supported as Dominion legislation under the over-riding enumerated heads of section 91, as being legislation in relation to the regulation of trade and commerce, and also to the criminal law.

Hodgins, J. A. dissented. In his view, industrial strife was nothing more than the result of an undesirable use of the civil right to cease work in the operation of various businesses. The argument in support of the act was practically an endeavour to invent a new field, which was only a department or development of one of those exclusively possessed by provincial legislatures. Nor was the matter made better by the contention that the act, when examined in the light of the evidence adduced, dealt with a subject which transcended provincial limits and was of Dominion importance. It was, no doubt, true that owing to the highly organized methods of modern labour, strikes might spread and extend to other businesses. This might happen, and the state of things might conceivably reach a height in which it became comparable to war, famine or rebellion, and justify Dominion action. But on the only facts proved, in the learned judge's view, this act could not be supported as dealing with a case of (1) emergency, or (2) general Canadian interest and importance, or (3) with a power conferred under any of the enumerated heads in section 91. No great national emergency was shown to have existed when the statute was enacted in 1907, or to have occurred since, and the statute was not framed so as to come into operation only when such emergency arose. The statute was further not framed so as to confer the drastic powers that would be necessary in such a case, but was based on the normal working of industrial relations which often required time and patience and some restraint, if dislocation was to be avoided. It was essentially a relative measure. The special and exceptional conditions of emergency required by the judgments in the Board of Commerce and Fort Frances Pulp cases (ubi supra) did not appear to him to have existed in point of fact. So far as anticipations of changes in the future were concerned, Hodgins, J. A. thought that the question was whether regulation of civil rights or invasion of property rights in the fashion provided by the act, in order to bring about a uniform and desirable method of dealing with industrial disputes, admirable as its purpose might be, could be valid in view of the exercise of the powers given to the provinces. That the provinces had such powers, as complete as those in this act given to the Dominion, he entertained no doubt. Several provinces had on their statute books legislation of much the same kind. Even granting the national importance of the question, the whole success of this method of dealing with it depended on the capacity to seize on local disputes and their conditions, and to manage the exercise of civil rights in relation to them. The circumstance that the dispute might spread to other provinces was not enough in itself to justify Dominion interference, if such interference affected property and civil rights. The province in the present case was simply the scene of municipal action. As the result of his consideration of the principles laid down for the interpretation of the British North America Act, the learned judge was of opinion that the act could not stand.

Their lordships have examined the evidence produced at the trial. They concur in the view taken of it by Hodgins, J. A. They are of opinion that it does not prove any emergency putting the national life of Canada in unanticipated peril such as the board which decided Russell v The Queen may be considered to have had before their minds.

As the result of consideration, their lordships have come to the conclusion that they ought humbly to advise the sovereign that the appeal should be allowed, and that judgment should be entered for the appellants for the declaration and injunction claimed. There should be no costs, either of this appeal or in the courts below and any costs paid under the judgment of the Appellate Division of the Supreme Court ought to be repaid.

Friday, February 13, 1925

The House met at three o'clock.

BEREAVEMENT OF MR. SPEAKER

Mr. SPEAKER: Before I proceed with the Orders of the Day, I desire to offer my sincere thanks to the House of Commons for its kind expression of condolence on the occasion of my recent bereavement.

REPORT

Fifty-seventh Annual Report of the Fisheries branch of the Department of Marine and Fisheries.—Hon. Mr. Cardin.

DIVORCE

EQUALITY OF GROUNDS FOR RELIEF AS BETWEEN THE SEXES

Mr. JOS. T. SHAW (West Calgary) moved for leave to introduce Bill No. 4, respecting Divorce.

He said: The sole object of this bill is to give the wife a right to secure a divorce from her husband upon the same grounds upon which a husband may secure a divorce from

his wife. As hon. members may know, in the four western provinces, whereas a husband can secure a divorce from his wife on the ground of adultery only, yet a wife, under the existing law, must not only prove adultery, but in addition, either desertion for a period of two years, or cruelty. The purpose of this bill is to remedy this inequality.

Motion agreed to and bill read the first time.

PENSIONS OF MOUNTED POLICE VETERANS

On the Orders of the Day.

Mr. ANDREW KNOX (Prince Albert): Owing to the fact that statements have been appearing in the press in regard to the pensions of the old veterans of the mounted police, which statements have not been confirmed in any way, I desire to ask the Minister of Justice if steps are really being taken to overcome the very serious handicap under which these old veterans are suffering.

Hon. ERNEST LAPOINTE (Minister of Justice): In reply to my hon. friend I say, yes.

BUSINESS OF THE HOUSE

PROCEEDINGS TAKEN BY INADVERTENCE EXPUNGED—DEBATE ON THE ADDRESS CONTINUES

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): I regret being under the necessity of calling the attention of the House to an occurrence in this Chamber last evening at six o'clock. A special order, being a motion by the hon. member for Rimouski (Sir Eugene Fiset), was under debate. The speaker was the hon. member for South York (Mr. Maclean). The whips had arranged that the debate be continued by one of the hon. members to my left, I believe the hon. member for Lennox and Addington (Mr. Sexsmith). At six o'clock, during the speech of the hon. member for South York, the Deputy Speaker who was in the chair declared it six o'clock, but did not pursue the matter further. Having so declared it the hon. member for Vancouver Centre (Mr. Stevens) who, at my request was leading this side of the House, rose and left the chamber. The hon. member for South York continued with a very few words, two or three sentences and closed his address. The Deputy Speaker thereupon asked him if he was through, and on receiving a reply in the affirmative, put the motion. I parenthetically add that the words of the Deputy Speaker declaring it six o'clock do not appear in the Hansard record. This is the more strange because I am in a position

to state that the Hansard reporters heard the words. I do not understand why they are not in the records. However, that difficulty does not arise, because the Deputy Speaker has very frankly stated that he did just as I have said, and as many hon. members heard. This ended the debate on the Address irregularly. When the matter came to my attention and the facts were fully disclosed to me, I of course realized that no default whatever had occurred from our side of the House. I am not ascribing fault to any side of the House; certainly there was none here on the part of any officer or any member. I called the matter to the attention of the Deputy Speaker, and, having done so, suggested to him that he lay the facts before the Prime Minister and express to him my view that it was the duty of the Prime Minister under the circumstances to move that the order be restored. I am glad to say that the reply of the Prime Minister, which the Deputy Speaker brought to me, was in the affirmative —that he would feel it his duty so to act. I do not go further at the moment, save to say that I have no doubt the Deputy Speaker should not, under the circumstances, have put the motion. That seems very manifest indeed. I do desire to comment on the fairness with which he received the subject since and his disposition to have the error corrected. I simply make this statement of the facts preparatory to the motion which I believe the Prime Minister intends to make.

Right Hon. W. L. MACKENZIE KING (Prime Minister): In reference to the remarks of my hon. friend, I might give the House the impression I had at the time of adjournment last evening. The hon. member for South York (Mr. Maclean) was speaking at six o'clock. As I recall, it was, as stated, just six o'clock as his address was obviously being concluded; when he concluded, the Deputy Speaker, being in the chair at the time, looked around to see if any hon. member intended to follow. No one in the house rising, and no exception being taken, the Deputy Speaker then asked the House if he should put the motion, and it was put with due deliberation. Personally I had not heard any mention by the Deputy Speaker of its being six o'clock. I do not question for one moment the word of my right hon. friend (Mr. Meighen) that the Deputy Speaker may have used the words "six o'clock". The Deputy Speaker himself, undoubtedly knows whether he did or not. But I did not hear any mention of six o'clock, although I may say to the House that it certainly was six o'clock before my hon. friend for South

York (Mr. Maclean) concluded. When he concluded, the Speaker, as I have said, put the motion. He put it very deliberately, and he paused. There were present in the House hon. members representing all groups, and no one present took any exception. As I sized up the situation at the moment, it was that all hon. members who desired to speak had already spoken. I had understood earlier in the day that there were to be no further speeches from this side of the House and that the number of speeches that might be made from the other side would probably be determined by whether or not there were additional speeches from this side. I concluded that the debate was ended and of course took no further notice other than to observe the procedure which seemed to me perfectly regular on the part of the Speaker, bearing in mind that very frequently the House, when it is concluding a piece of business, does run a few minutes past the hour indicated by the clock and further bearing in mind that the Chair in the matter of the time makes formal reference to the hour, as regards which, as I say, I had not as yet heard any formal declaration made.

The government, have no desire in any way to restrict the debate, much less to deprive any hon. member of an opportunity of participating therein. It seems to me that the matter is one entirely for your own determination, Mr. Speaker, as to what the rules of the House may permit. I do not recall having made any agreement to make a motion. That subject, as far as I can recollect, was not discussed; but if that is the correct method of proceeding, I would be quite prepared to proceed in that way. I would, however, point out, that I should not care to take any action that would have the effect of rescinding the proceedings or that in any way might alter or adversely affect the conclusion of the debate. It is for Your Honour to rule as to the action that should be taken. I would hope that it might be possible to consider the proceedings of yesterday after six o'clock as being in the nature of an inadvertence and to let us proceed with the debate on the Address on that assumption, but that Mr. Speaker is a matter upon which the government is entirely in the hands of Your Honour.

Mr. J. J. DENIS (Joliette): Mr. Speaker, before we proceed any further on this subject I rise to a point of order. Rule 19 states:

> No member may reflect upon any vote of the House, except for the purpose of moving that such vote be rescinded.

It must be quite obvious to anyone that nothing can be done except by way of motion. This was fully understood by the leader of the opposition (Mr. Meighen) when he mentioned a minute ago that he expected the Prime Minister to make a motion. I submit, on my point of order, that even the Prime Minister cannot make a motion at the present time to rescind the vote that was taken yesterday. All that could be done by any member of this House including the Prime Minister would be to give a notice of motion with two days' notice according to rule No. 40. Under rule No. 40 notice of motion can be given to the effect that after two days the House will consider the question of rescinding this vote. The vote cannot be altered; it cannot be qualified; it has to remain just as it is now or it can be rescinded.

Rule 19 states quite plainly:

> No member may reflect upon any vote of the House, except for the purpose of moving that such vote be rescinded.

Therefore, there can be no comment on a vote. There can be no explanation given on the motion, but the vote can only be rescinded purely and simply. Should the vote be rescinded purely and simply after due notice has been given, what would be the consequence? As I see it, the consequence would be that the motion of the hon. member for Rimouski (Sir Eugene Fiset) would be defeated. The Votes and Proceedings read as follows:

> And the question being put on the said motion, it was agreed to.

If you rescind this, in my opinion it will mean that the question being put to the said motion, it was disagreed to. Can this be done? Can this motion be entertained? That would be a matter for your consideration, Mr. Speaker, but at the present time my point of order is that no motion can be entertained unless due notice has been given and then, after due notice has been given, these different points which I have just mentioned can be raised at the proper moment.

Mr. G. N. GORDON (West Peterborough, Deputy Speaker): Mr. Speaker, in your absence owing to bereavement in your family, I was delegated to take Your Honour's place in the chair, and it might, perhaps, be well if I said a few words as to the incident mentioned by the leader of the opposition (Mr. Meighen) and very fairly stated by him and by the Prime Minister (Mr. Mackenzie King). There were left with the government whip the names of Messrs. Evans, Marler and Maclean (York) as the speakers of yesterday after-

noon, and those speakers were the ones that I expected to address the House, as they did, yesterday afternoon. At six o'clock, or nearly six o'clock, I followed the habit of Your Honour and former Speakers, where an hon. member is addressing the House, to remind him that it was six o'clock, and I said to the hon. member for South York (Mr. Maclean): Six o'clock. He immediately sat down and I asked him if he had finished his address because, if he had not finished his address, I intended to declare that it was six o'clock and also to declare my intention of leaving the chair so that he might resume at eight o'clock. He said that he had finished his address at that time. As the Prime Minister said, I thereupon looked over the House to see if any other hon. member indicated his intention of going on, and finding none I called to the Clerk for the motion and I read it to the House. The misunderstanding and confusion have arisen owing to the fact that when I was reminding the hon. member for South York that he had reached the six o'clock period, some members assumed that that was a declaration from the Chair that it was six o'clock and the debate had not been terminated. Among those who left the chamber at that time was the hon. member for Vancouver Centre (Mr. Stevens) who was leading his party on that occasion. The reason for Hansard not hearing what was said was because I intended to address the words more particularly to the hon. member for South York and, while doubtless many members heard me, maybe the reporter did not. There has been some confusion; I have since learned that it was assumed by the acting opposition whip that one of the members of the Progressive group intended to speak yesterday, and it was assumed that opposition members would have an opportunity after eight o'clock of continuing the debate. In order to put myself quite clearly before Your Honour and this House, I have the list which was submitted and handed to me by the government whip and which contains the names of those who were to address the House, the names being submitted to him by the other whips. The same list was used by the hon. member for Bonaventure (Mr. Marcil) and there is no doubt that this is the same list, only three names being on it. Under those circumstances, I submitted the Address of acceptance and thanks moved by the hon. member for Rimouski (Sir Eugene Fiset). It happened that the hon. member for Vancouver Centre left the chamber about the time that he heard me suggest to the hon. member for South York that it was six o'clock, assuming, I think, that I was about to leave the chair and the debate would continue at eight o'clock. I saw the hon. member for West York (Sir Henry Drayton) in his place yesterday when I was reading the motion to the House, or shortly after, and I assumed that he was leading the opposition and knew what the situation was.

As I afterwards learned, he had come in in the meantime, just as the hon. member for Vancouver Centre (Mr. Stevens) was leaving, and it is more than probable that he was also under a misapprehension as to what had taken place. The leader of the opposition represented the facts to me and I immediately communicated with the Prime Minister, explaining the incident as it had developed. Thereupon the Prime Minister intimated that he was willing to restore the matter to its former status so far as it was within his power to do so, speaking on behalf of himself and the government. The statements of the Prime Minister and the leader of the opposition, set forth the facts exactly as they occurred. In making this statement, Mr. Speaker, my purpose is simply to acquaint Your Honour with the situation precisely as it developed, in order that you, Sir, may be in a position properly to understand and pass upon the questions involved.

Mr. W. F. MACLEAN (South York): What the Deputy Speaker (Mr. Gordon) has said is practically my own recollection of the matter; after I had concluded my speech I took my seat, and that is all recorded in Hansard. But I did also hear that the understanding was that other speakers would follow me; as a matter of fact, the leader of the opposition (Mr. Meighen) informed me that he understood the debate was to continue. Now, probably no harm has been done, the occurrence being the outcome of a misunderstanding, the consequences of which it is for His Honour the Speaker to dispose of.

Hon. HUGH GUTHRIE (South Wellington): I think it is quite clear that the situation which has arisen has arisen entirely as a result of inadvertence, and there seems to be a disposition on the part of every hon. member who has mentioned the subject to right the wrong if a wrong has been done in the matter. It is obvious that, under the rules the Deputy Speaker, who last evening occupied the chair at six o'clock, would have no right at all to put the question when he did. Rule 3, which is the one that applies to the House sitting beyond six o'clock, is very explicit on the point:

> If at the hour of six o'clock p.m., except on Wednesday, the business of the House be not concluded, Mr. Speaker leaves the chair until eight o'clock.

The meaning of that rule is, in my opinion, that at six o'clock it is the bounden duty of the Speaker to leave the chair unless the business is concluded; he would have no power to put the question except by unanimous consent of the House. I have heard it stated by Speakers in this House that unanimous consent is not to be presumed or assumed; it must be asked. And, so far as I am aware, no request was made yesterday that unanimous consent be given to the question being put after six o'clock. That is admitted. My point, therefore, is that the hour of six o'clock having arrived, as is admitted on all hands, the duty of the Deputy Speaker under the rules was to leave the chair. I can quite understand that he would not leave the chair if in doing so he would interrupt the remarks of any hon. member who was about to conclude at the time. The inadvertence and the error into which the House fell last evening was simply this, that instead of following the rule governing the procedure in this connection, the Deputy Speaker proceeded—without asking the consent of the House—to put the question. There is no doubt about the fact that nobody expected the question to be put yesterday afternoon. I am informed that the whips had notice that other speakers intended to take part in the debate, though I believe the names had not been communicated to the Deputy Speaker. But neither had there been any intimation to the Deputy Speaker, as I understand that there was any intention that the debate should close yesterday afternoon. So far as the Deputy Speaker knew, the list before him included the names of those who would speak yesterday afternoon, and he had no intimation that there would not be other speakers in the course of the evening. Now, this question can be righted, as we have righted so many of our technical errors in this House in the past: all that is needed is the unanimous consent of the House. In every quarter of the House it is agreed that the present incident is the result purely of inadvertence and not of intention, and the mistake can and should be rectified by consent of the House.

Mr. ROBERT FORKE (Brandon): Owing to an engagement, I had to leave the House yesterday about ten minutes to six, so that I am not acquainted with what took place at that time, although I have no doubt that the explanation which has been made by the Deputy Speaker is perfectly correct. A careful reading of Hansard does not disclose that there was anything irregular in the proceedings. With reference to the remarks of my hon. friend (Mr. Guthrie), who has just spoken, I would offer this observation. In all the time I have sat in this House, invariably the calling of six o'clock was purely a technical affair; it never meant six o'clock by the clock: it always was six o'clock when the Speaker from the chair so declared. That is what I have always understood. So far as the debate is concerned, I must say that I was astonished to see, on taking up the newspaper this morning that the leaders of the House had agreed, upon being consulted, that by means of a motion or in some other way the debate should be re-opened. When it was learned that the debate had closed, I think there must have been a sigh of relief wherever the fact was made known.

Mr. McMASTER: That is all very well for those who have already spoken.

Mr. FORKE: Well, so far as that goes, I think that probably before this session is over my hon. friend will have had his share of speaking in the House. And as regards those hon. gentlemen who have not spoken, I am sure that there is no subject which can be referred to in this debate that hon. members will not have had ample opportunity, before prorogation comes, to cover in other debates. I have listened to debates in this House on the budget which were largely a repetition of speeches that had been made on the Address in reply to the Speech from the Throne. I have no desire to appear contrary, but I do believe that it would be in the interests of the country if the debate were allowed to stand closed.

Mr. MEIGHEN: I appreciate the spirit in which this debate has been carried on, and the pertinence of all remarks anent the question raised. I cannot fail to express my surprise that the leader of the Progressive party (Mr. Forke) should have so utterly failed to grasp the principle at stake as to seek to cover the discussion over with a lot of irrelevant talk about how long the debate should continue. The question is this: Is advantage to be taken of an inadvertence on the part of the Chair—because it is there that the inadvertence occurred—to shut off the speeches of hon. members? If the debate is to be discontinued, I have a higher opinion of the House than to think that this will be done because some hon. members who have spoken do not want to listen to those who have not. I should have preferred the Prime Minister (Mr. Mackenzie King) to concur with the Deputy Speaker in the understanding that he was to move the rescission of the

motion which has been agreed to. The Prime Minister has stated that he is ready to do so if the Speaker holds this to be proper.

Mr. MACKENZIE KING: There was no understanding that I should make such a motion; at least I was not a party to that understanding.

Mr. MEIGHEN: However, he has stated that he is quite ready to do so if the Speaker holds that it is within the rules of the House. I am quite satisfied with that.

Mr. MACKENZIE KING: There was no understanding that I would make a motion. At any rate I was not consulted in regard to it.

Mr. MEIGHEN: That was the information brought me by the Deputy Speaker.

Mr. GORDON: The Prime Minister stated that he would be glad to assist in any way to put the matter right.

Mr. MEIGHEN: That is not what you said at all.

Some hon. MEMBERS: Order.

Mr. MEIGHEN: You said to me that a motion would be made to restore the order, because that was my suggestion to the Deputy Speaker. I am stating the facts.

However, the point is not worthy of further discussion for the reason that the Prime Minister has stated his willingness to do whatever is within his power to get rid of this awkward situation. I suggest that inasmuch as the Deputy Speaker's declaration was undoubtedly that six o'clock had arrived, the Deputy Speaker thereafter had no right to initiate any further proceedings on the part of the House, and that therefore any such proceedings are null and void. Hon. members had a right to assume once those words had escaped his lips that nothing further would be done; and having assumed that they left the House. There is no doubt that whatever was done after six o'clock was done without authority, and I am sure that all hon. members who want the rules of parliament to be lived up to, who want the fight to be carried on in a fair way between the parties, would never dream of objecting to a ruling on the part of the Chair that what followed after the declaration of the Deputy Speaker was null and void, and at best an inadvertence, and that we proceed just as we were when that declaration was made.

Mr. VIEN: Will the right hon. gentleman explain why the hon. member for West York (Sir Henry Drayton), who was leading his party then, did not object to all the motions which were carried thereafter?

Mr. MEIGHEN: The hon. member for West York was not in the House at all. He arrived after the motion was being put to engross the Address. The only one at the time entitled to speak for the opposition was the hon. member for Vancouver Centre (Mr. Stevens), who had been left by myself in charge. He remained until the declaration by the Chair. The hon. member for West York arrived after that. Not being acquainted with the situation or having any instructions from me, he would have no authority to speak for the opposition.

Mr. VIEN: Surely there were some members of the opposition present to raise the question then?

Mr. MEIGHEN: The hon. member did not listen to me. Any member cannot speak for the whole opposition; he can speak only for himself, unless he is deputed to lead his party. The one deputed by me was the member for Vancouver Centre. On the declaration of the Chair he left the chamber, so there was nobody in authority to speak for the opposition. And nobody would be called upon to speak for we had the right to assume that after that declaration no more business would be transacted. We did assume it; our members left. I am sure that of all men the hon. member for Lotbinière (Mr. Vien) would never suggest that anything valid should be held to have been done after that. There is no difficulty in the way of remedying the error; no precedent is going to be established that will embarrass anyone, for such a situation after the declaration of the Chair would never arise again. This suggestion meets the ends of justice, and I sincerely hope no hon. member of the House would object to its being carried out.

Mr. MACKENZIE KING: I think, Mr. Speaker, that if we continue the debate on this point we shall occupy as much time as if we had resumed the debate on the Address. It has been made apparent that the Deputy Speaker had mentioned that it was six o'clock, and that no one in the House had any intention of proceeding other than in accordance with the rules. The rule is that at six o'clock the Speaker leaves the chair. In view therefore of what took place last night after six o'clock the House having proceeded inadvertently, I hope, Mr. Speaker, you will find it possible not to take cognizance of what was then done and allow the debate on the Address to continue in the regular way.

Mr. SPEAKER: This puts me in a very awkward position. When I looked at the Votes and Proceedings this morning I saw that the House adjourned at six o'clock last night; but the Deputy Speaker with characteristic frankness has declared this afternoon that the House was really adjourned after six o'clock. If I were dealing with this matter from the point of view of the letter of the rules of the House, I would be placed in a very awkward position, as I stated a moment ago, because the House could not but rescind the proceedings which took place yesterday after six o'clock, and this is a very grave course to take. If hon. members will refer to Bourinot—my guide in this matter—at page 328 of the fourth edition, they will find the following:

Renewal of a Question During a Session

When a motion has been stated by the Speaker to the House, and proposed as a question for its determination, it is then in the possession of the House, to be decided or otherwise disposed of according to the established forms of proceeding. It may then be resolved in the affirmative or passed in the negative; or superseded by an amendment, or withdrawn with the unanimous consent of the House. It is, however, an ancient rule of parliament. . . .

And this is what I wish to emphasize—

—that "no question or motion can regularly be offered if it is substantially the same with one on which the judgment of the House has already been expressed during the current session." The old rule of parliament reads: "That a question being once made, and carried in the affirmative or negative, cannot be questioned again, but must stand as a judgment of the House."

It is on this that rule 19, cited by the hon. member for Joliette (Mr. Denis), has been based.

On the other hand I cannot forget that the rules of our parliament are based on common sense and on the broad principle of freedom of speech. Now, it is admitted by the Deputy Speaker, and by both sides of the House that a technical error was made; that after six o'clock the House continued sitting; and that someone was to continue the debate this afternoon on the main motion as moved by the hon. member for Rimouski (Sir Eugene Fiset) seconded by the hon. member for West Hastings (Mr. Hanna). If I should follow the letter of the rule, a motion would have to be made under rule 19 to rescind the decision of the House agreed to yesterday. However, I have it deep in my memory that, during the thirty years that I have sat in this House with my good friend the member for South York (Mr. Maclean), time and again when a technical error was brought to the notice of the Speaker, by unanimous consent, that error was expunged from the proceedings of the House. And if a motion should be made this afternoon to expunge from the Votes and Proceedings, and therefore from the scroll, the proceedings which by inadvertence, took place yesterday after six o'clock, I would accept the motion, provided of course it received unanimous consent. For the objection by the hon. member for Joliette is well taken; by rule 40 notice has to be given for any such motion. But by rule 41 notice can be waived by unanimous consent.

I therefore, rule that under these circumstances, a motion to expunge from the proceedings the error which was made inadvertently yesterday after six o'clock is in order.

Mr. MACKENZIE KING: If my right hon. friend (Mr. Meighen) will join with me in this motion by seconding it, I shall have much pleasure in moving:

That this House agrees that all the proceedings which took place after six o'clock on Thursday, the 12th instant, having been the result of inadvertence are declared void and ordered to be expunged from the Journals of the House.

Mr. MACLEAN (York): Will that impose on me the making of another speech?

Mr. FORKE: I would just like to say, Mr. Speaker, that in view of your explanation I will support the motion.

Motion agreed to.

THE GOVERNOR GENERAL'S SPEECH

ADDRESS IN REPLY

The House resumed from Thursday, February 12, consideration of the motion of Sir Eugene Fiset for an Address to His Excellency the Governor General in reply to his Speech at the opening of the session.

Mr. W. F. MACLEAN (South York): Mr. Speaker, I take it for granted that I have the floor. I will simply say this: My main object in speaking yesterday was to prepare in substance, a brief for the motion I have on the order paper under Notices of Motion. I have got that brief; it is on Hansard today, and I will conclude my speech of yesterday by saying that I endorse all I said then and will endorse it on another occasion.

Mr. T. E. SIMPSON (West Algoma): Mr. Speaker, now that the motion has been properly restored to the order paper we can proceed with the discussion of the Speech from the Throne.

The Speech from the Throne is usually looked forward to with a great deal of interest, not only by the members of this House but by the country generally, because it is expected that it will forecast the principal

items of legislation that the government purpose bringing before parliament for consideration during the session. I regret that in the Speech of this year no reference has been made to legislation that would tend to relieve the overburdened taxpayer or that would have a tendency to encourage the investment of capital in this country and thus provide employment for the many who are now out of work.

It is my intention, Mr. Speaker, to deal briefly with the general conditions in the iron and steel industry of this country. The Prime Minister (Mr. Mackenzie King) in his address a few days ago was pleased to cite the iron and steel industry as an index of business prosperity and general conditions prevailing in the country. I would first like to refer, however, to one or two statements contained in the Speech from the Throne.

There is a reference to the improved conditions and to the favourable balance of trade. Now, a favourable balance of trade is desirable, particularly if it has been obtained by the sale or export of the finished product of the farm, the forest, the mine or the sea; but not always so if it has been obtained by the sale of our raw materials to be manufactured in another country and subsequently returned to us in the form of finished products. You will find by a study of the trade returns for the calendar year 1924 that the exports of that year exceeded the exports of the calendar year 1923 by some $43,113,624, and that increase consisted entirely of raw material—or unfinished products—exported. A favourable balance of trade obtained in that way is not always a safe barometer of business conditions.

Reference is made in the Speech to the cost of living as the most important matter engaging the attention of the ministers at the present time. Well, it was the most important, next to winning the general election, that engaged the attention of the Prime Minister and the Minister of Labour (Mr. Murdock) in 1921. They were particularly concerned about the overburdened taxpayer at that time, and they referred to the leader of the government and the members of the government of that day as those who, in carrying on the affairs of the country during the period of the war, had become so accustomed to thinking in millions that it was difficult for them to get down to the consideration of matters on an ordinary basis, and that the only hope for the poor suffering man with a family was a change of government. Well, we had the change of government. Hon. gentlemen opposite have been in power now for over three years, but still there is no relief. Let me quote from figures published in the supplement to the Labour Gazette of January, 1925. I find there the figures of a family budget, covering staple foods, fuel, lighting and rent, and being retail prices prevailing in sixty cities throughout the Dominion. We find that in April, 1922, a few months after this government came into office, and before they had an opportunity of affecting the prices one way or the other, the index price given for the weekly family budget was $20.66, whereas in December, 1924, the index price was $20.90, showing the cost of living still going higher, and the government still looking for the remedy.

We also find in the Speech from the Throne this statement:

> The cost of production of raw materials and the necessaries of life has been lessened by the reductions in the tariff and the sales tax effected at the last session.

Well, Mr. Speaker, the chief reductions that I have been able to find are reductions in the national revenue, reductions in the output of our manufacturing establishments, and a reduction in the pay cheque of the average citizen. But let us compare this statement in the Speech with the figures provided by the Bureau of Statistics covering the wholesale prices of 238 commodities. The index price given for May, 1924, just at the time the budget was adopted, was 150·6, while for January, 1925, we find the index price is 165·2, an increase of almost 15 points, so that statement in the Speech from the Throne is effectually answered by the government's own figures and requires no further comment on my part.

The Prime Minister in his address a few days ago quoted a mass of statistics in an endeavour to convince the House and the country that business conditions in Canada were more favourable than those in the United States. He stated:

> I submit that if my right hon. friend (the leader of the opposition) takes the trouble to compare the statistics in this country with the statistics which I have just quoted from authentic sources in the United States he will find that, having regard to the tremendous influences which conditions in the country to the south have upon conditions in Canada, our showing is considerably the better.

If that is so, why is it that the government have found it necessary to spend no less a sum than $9,000,000 in the past three years in order to induce 322,000 immigrants to come to this country, while during the same period the United States had to rigorously enforce their quota law in order to keep out those who were clamouring for admittance at their door? Why was it necessary for

upwards of 600,000 Canadians during the same period to cross the border to the United States, if it was not for the purpose of finding there employment which was denied them at home? Sir Wilfrid Laurier once stated that it was not necessary for him to quote statistics showing the amount of deposits in the savings banks or a favourable balance of trade in order to convince the people of the prosperity of the country. All you have to do, he said, is to feel in your pocket, Mr. Speaker, you cannot camouflage the issue by a mass of statistics. Everybody knows that Canada today is not enjoying the prosperity that a country blessed with our natural resources should be enjoying. And what is the trouble? In my opinion the chief trouble is that we are exporting altogether too much of our natural resources in the raw or unfinished state, and we are importing altogether too much of the products that we could successfully produce at home. Why should it be necessary for a country like Canada, to import, as we did in 1924, over $25,000,000 worth of fruit, almost $5,000,000 worth of vegetables, large quantities of butter, meats, eggs and cheese, all of which with the possible exception of a few articles of fresh fruit, could have been produced equally as well at home and with material profit to the farmer?

4 p.m.

Let me turn now to the iron and steel industry. The Prime Minister in his address the other day stated that the condition of this basic industry could be taken as a fair index of the prosperity of the country. He said:

> I pointed out that in gauging the industrial situation, economists have always had particular regard to the basic industries, and that the iron and steel industry is usually regarded as the most significant. The figures that I gave the House indicated, I think, conclusively how very considerable had been the falling off in the production of the basic industries of the United States during the period I mention and in particular the falling off in the production of iron and steel.

Now let me quote from the monthly report on the production of iron and steel in Canada for December, 1924, as furnished by the Bureau of Statistics. That report shows that the total production of pig iron in Canada in 1924 was 593,024 gross tons, a decrease of 33 per cent from the 880,018 tons of 1923. In the United States the production of pig iron in 1924 was about 31,000,000 tons, or about 22 per cent less than in 1923. You will observe that the falling off in the production of pig iron was considerably greater in this country than in the United States. At the same time we imported upwards of $140,000,000 of steel and steel products into this country, a great portion of which could have been successfully manufactured here. During the very same period our own steel industries were closed down from five to eight months in the year.

I am going to quote from an interview given by the vice-president of the British Empire Steel Corporation, an institution that received a very severe castigation at the hands of the hon. member for Saskatoon (Mr. Evans) who, I regret, is not in his seat at the moment. Just before quoting from that interview I want to say in connection with the figures given by the hon. member for Saskatoon, particularly those with reference to the bounty that had been paid to the iron and steel industry, that while I do not dispute his figures as to the amount of bounty paid, I think they leave a very unfair impression if other figures are not placed alongside of them. I propose to give other figures showing the amount that this country has received in customs duties and in taxes from some of these industries that received the bounty. The only figures I have available are those applying to 1916, 1917 and 1918, a three-year period, and they apply to four of the steel companies operating at that time, the Algoma Steel Corporation, the Steel Company of Canada, the Dominion Iron and Steel Company, and the Nova Scotia Steel Company, the latter two being now included in the British Empire Steel Corporation. They paid into the public treasury of this country in customs duties and war taxes in that three year period no less a sum than $7,793,000, half as much as the total amount that was paid to the steel industries by the way of bounty, and they have been operating for the last twenty years; so that it is only natural to assume that they returned by way of customs duties and taxes to the Dominion treasury very much more than they have received by way of bounty. That is not all. During the three-year period they paid out in freights no less a sum than $25,890,000. They paid in wages during that three year period $71,775,000, employing on an average 20,000 men, and I think hon. members will agree at once that industries that are contributing in such large measure as that to help in the upkeep of our railways in this country and in the employment of labour should not be subjected to the castigation that my hon. friend gave the British Empire Steel Corporation the other day.

I was going on to read an interview of the vice-president of the British Empire Steel Company, Mr. J. E. McLurg, to show the condition in which these steel industries are

at the present time. This was an interview given on June 27, at Sydney. He said:

> Two batteries of coke ovens will be operating until July 15, after which one battery only will be operated. Blast furnaces No. 1 and No. 8 will operate on basic iron until July 15, when No. 1 furnace will be blown out and No. 8 will be operated on foundry pig iron from July 15 to July 21. All open-hearth furnaces will operate to capacity until July 15, when they will cease operations. The blooming mill, billet mill, rod, bar, wire and nail mills will operate until July 19, when all orders on hand and tonnage for stock will be completed. Ample stocks are being carried and adequate arrangements have been made to fill and ship any and all orders received while the plant is shut down.
>
> The above programme means that after July 19 the entire plant will be closed down with the exception of one battery of coke ovens and No. 8 blast furnace for three months at least.

And as a matter of fact it was closed down for considerably longer. I see one of the members representing that constituency, the government whip (Mr. Kyte) is in his seat, and I am sure he will verify what I have said. But the most unfortunate part of this interview is the following:

> This protracted shut down makes necessary the reduction of idle expense to the absolute minimum and for this reason only, we are forced to dispense with the services of a considerable number of valued salaried employees to whom notices are being sent, advising them that their services will be no longer required after July 31.

The conditions prevailing down in that section have been such that it was found necessary to send a very large and influential delegation—

Mr. MURDOCK: May I ask a question? Does the hon. member suggest that the laying off a large number of salaried officials of the British Empire Steel Corporation was a result of the fact that they did not have as large orders as usual, or a result of the fact that the company had been overmanned in its official capacity for many years?

Mr. SIMPSON: In reply to my hon. friend the Minister of Labour, I may say it is quite evident they did not require the high-salaried officials when they were closing their plant. They did not have the orders and they did not have the business.

Mr. MURDOCK: It was for one reason or the other, my hon. friend will admit. I have the personal word of Mr. McLurg as to what the reason was, and I would like to give it—

Some hon. MEMBERS: Order, order.

Mr. MURDOCK: I would like to know what my hon. friend's opinion is.

Mr. SIMPSON: I have given the facts as I received them. I do not live there. I am giving the interview of the vice-president of the company. I was going to say that a very important delegation came up from that locality to lay the situation before members of the government, and I have no doubt the Minister of Labour was there to receive the delegation. I believe several members supporting the government were in the delegation, and I only hope that before this debate concludes these hon. members will rise and tell the House and the country what they stated to the government at that time. The vice-president of the same company had occasion to be in Ottawa at the national conference on unemployment held in September, at which my hon. friend the Minister of Labour presided, and according to the report this is what he had to say with respect to conditions in Sydney at that time:

> Our plants are closed down; our blast furnaces are idle; our open hearth furnaces are cold since fifth day of August, and instead of employing 3,200 men in our steel plant in Sydney we have to-day between six and seven hundred men employed.

What I have said with respect to conditions at Sydney can be said with respect to conditions at Sault Ste. Marie, where the Algoma Steel Corporation operate. The greater portion of their plant was closed down in June last year and they have not resumed operations. When they are operating to full capacity they employ 3,500 men. During the past eight months they have been employing in the neighbourhood of 800 men and the period of this shut down is the longest that they have experienced in the last twenty years. There are, Mr. Speaker, twenty blast furnaces in the Dominion of Canada, and at the present time only three of these blast furnaces are blown in, or in operation; and up until a few weeks ago, there were only two. The one in Sydney was blown in a few weeks ago, if my information is correct.

Now what is the cause of this depression? It is largely due to the fiscal policy of the government.

Mr. MURDOCK: The same comparative condition is in effect in the United States.

Some hon. MEMBERS: No.

Mr. MANION: That is why all our people are running over there for work.

Mr. MURDOCK: Not on your life.

Mr. SIMPSON: I gave the figures a short time ago showing the production of steel in the United States last year as compared with the year before, and I also gave the figures showing the production in Canada as compared with the year before. The reduction in the production in Canada was 33 per cent, whereas in the United States it was 22 per

cent. Before I finish my remarks I shall give some more figures that will be interesting to the minister.

Mr. MURDOCK: The hon. member will hear some, too.

Mr. SIMPSON: The trouble is that so many articles of iron and steel are on the free list, or subject to a drawback of duty, and that several more articles were added to the list by the tariff changes made by the government in the budget of last session. These are exposing our industries to unfair competition from the more highly specialized industries of the United States and to the industries of Europe where labour conditions are very different from what they are in Canada. Let me quote some figures to the minister to show him what effect the last tariff changes had on the production of pig iron and steel ingot and castings in this country. I will have to quote a number of figures in order to get the matter properly placed on Hansard, because I have to give the figures month by month during the last year in order to show the proper camparison.

Production of Pig Iron in Canada, 1923 and 1924, by Months

Month	1923 Long tons	1924 Long tons
January	41,000	64,000
February	44,000	60,000
March	65,000	77,000
April	84,000	84,000
May	102,000	85,000
June	99,000	57,000

The budget changes were beginning to have their effects:

Month	1923	1924
July	82,000	45,000
August	93,000	23,000
September	75,000	23,000
October	74,000	29,000
November	62,000	23,000
December	60,000	23,000

The production of steel ingots and castings in long tons was as follows. The minister will have an opportunity of reading these in the monthly report of the Production of Iron and Steel in Canada for December, 1924, published by the Department of Trade and Commerce:

Production of Steel Ingots and Castings, in Canada, 1923 and 1924, by Months

Month	1923 Long tons	1924 Long tons
January	48,000	41,000
February	46,000	71,000
March	89,000	95,000
April	93,000	104,000
May	104,000	108,000
June	96,000	69,000
July	74,000	52,000

You see the effect of the tariff changes coming right along.

Month	1923	1924
August	105,000	23,000
September	66,000	18,000
October	67,000	20,000
November	55,000	23,000
December	41,000	26,000

That should be conclusive evidence of what effect the tariff changes of last session have had on the production of iron and steel in this country. The Prime Minister was very strong in quoting from the Iron Age in the statistics that he presented to the House the other day. I desire to place on Hansard one quotation from the Iron Age, from the issue of 29th January, 1925:

> Why does the iron and steel industry in Canada languish? This is a question of importance and the Toronto representative of the Iron Age was requested to make an investigation and report, especially as to whether the frequent reductions in tariff rates had had any effect on the prosperity of the industries in the Dominion.
>
> Mr. Sanderson's investigations and report show that the tariff, or rather lack of it, has had a very important effect, not only in reducing production but in causing many workmen to leave Canada for the United States, where employment conditions have been more satisfactory. Canadian iron and steel industry is experiencing severe competition from many directions. The action of the government in connection with its budget for 1925 is awaited with interest.

The answer, I presume, they will get from the government in that connection is that the government is pausing just now before giving any further consideration to tariff reductions.

Let me turn to another phase of this question, and that is the development of iron ore. That is one way in which some encouragement and assistance might be given to the steel industry of this country, not so much affecting the British Empire Steel Corporation as the other steel industries of Canada. Such a great basic industry as the iron and steel industry of this country should not be dependent upon foreign countries for its raw material. We have in Canada vast deposits of iron ore, millions and millions of tons. These have been actually proven up and are known to exist. They have been proven to exist by diamond drilling through the enterprise and ingenuity of private capital. It is a well known fact that these bodies of ore are of low grade and that they require certain treatments before they are merchantable or fit for blast furnace use. Here again private capital has entered in and after the expenditure of large sums of money it has been discovered that these ores can be successfully treated, impurities removed, the iron content increased, and an ore produced that will produce as good steel as is being manufactured

to-day. A few years ago the Ontario government, then the Drury government, appointed a committee of practical men to study and investigate the whole situation and to make a report to the government as to what, in their opinion, should be done. This committee made an exhaustive study of the whole situation both in Canada and the United States, and I am going to read just a few sentences from their report:

> That whereas there is a gap between the cost at which Canadian iron ore can be mined under present conditions and the price that Canadian smelters can afford to pay and market their product, and this condition will continue to exist unless assurance is given that aid will be available to an extent that will warrant the erection of the necessary beneficiation plants, and that such aid will be received and when earned during the years these mines are developing tonnage in sufficient quantities to carry their overhead and operate economically. They recommend that the provincial and Dominion governments aid to the extent of one cent per unit of iron, on each long ton of merchantable iron ore, natural or beneficiated, produced and actually marketed from Ontario deposits, and that such bounty be available to producers of merchantable iron ore for a period of ten years.

They state further:

> We are of the unanimous opinion that one-half of the bonus recommended should be provided by the Dominion government.

And they cite the following reasons:

> (1) The active development of our iron ore resources and the enlarging of our steel industry will be very effective in maintaining a favourable international trade balance.
>
> (2) The colonization of northern Ontario is largely dependent upon the mining industry, and that portion bordering the non-productive sections of our National Railways is dependent largely upon our iron resources.
>
> (3) Largely increased traffic may be obtained for the National Railways from domestic productions of iron ore, and perhaps it would not be unreasonable to suggest that the profit to be made by our publicly-owned railway would, in the gross, equal, and in time exceed the proposed Dominion share of the bounty.

This is the recommendation of a committee of experts. Following their report, the present government of Ontario at their last session passed the necessary legislation to provide their portion of the bounty. This government was asked to take similar action but has not yet done so. I would strongly urge upon the ministry the necessity of dealing with this important matter during the present session. Surely if we have money to spend in subsidizing a large steamship line to operate in competition with the merchant marine we should be able at least to consider this proposal for the development of our own resources.

One other matter which I desire to touch upon is the question of our pulpwood resources. I expect that an opportunity will be given later in the session to go into this matter fully and therefore I shall be brief on this occasion. Last year there was exported from this country some 1,330,250 cords of pulpwood for which we received $13,536,038, a little over $10 per cord. If that quantity of pulpwood had been manufactured into newsprint before it was exported we should have received, at the rate of $70 per ton for that product, approximately $65,000,000, or over $50,000,000 in excess of what we received for the raw wood.

Mr. MEIGHEN: What proportion of that $13,000,000 did the actual producer receive?

Mr. SIMPSON: A considerable portion of that money was taken up in freights, transportation charges and so on, and the actual producer would not receive, I suppose, more than $3.50 to $5.50 a cord, net.

Mr. BELAND: Do I understand the hon. member to say that the farmer who produces the wood received last year only some $3 per cord for his pulpwood? My information is far different.

Mr. SIMPSON: I cannot answer the question very definitely. The price is usually so much per cord at the mill. If the farmer or settler cutting the wood lived any considerable distance from the mill, the freight rate might be so high as to reduce his actual price to as low as $3 or $4 a cord.

Mr. BELAND: One would have thought that the total which the hon. gentleman has quoted was exclusive of freight.

Mr. MEIGHEN: The hon. member, I think, has given the export figures, including freight in Canada.

Mr. BELAND: Would it include freight in Canada? I should not have thought so. At all events, I know that people in my district who are selling pulpwood received last year $9 a cord and even as high as $12.

Mr. SIMPSON: That is quite true, but that was the price at the mill; the price quoted at the mill was from $10 to $12.

Mr. BELAND: No, at the station.

Mr. SIMPSON: That is not my understanding.

Mr. BELAND: That is the fact in my district.

Mr. SIMPSON: Now, two remedies have been suggested, one an embargo on the export of pulpwood, and the other an export tax. An objection which is worthy of careful consideration has been raised to the embargo, namely, that it would restrict the market of the settler for the wood he has to sell. It is

contended that if the settler had not an opportunity of selling his wood to the American purchaser he would be forced to take any price which the local pulp and paper manufacturers might care to offer him. That of course is something that would have to be carefully guarded against, but in my opinion the provincial legislatures should have ample authority to cope with such a situation. The pulp and paper manufacturers have timber limits leased from the provinces and I do not see why some provision could not be made with these manufacturers to pay the settler a fair market price for his product. But just so soon as there is talk of an embargo there comes a noise from the newspaper publishers and the pulp and paper manufacturers of the United States, and we are told that if we went ahead and imposed an embargo it might have a tendency to disrupt the friendly relations that have so long existed between the two countries. Well, Uncle Sam did not stop to ask any questions of Canada before enacting the Fordney tariff; he did not consult us before raising the tariff on wheat to 42 cents a bushel and the duty on hay from $2 to $4 a ton. He did not consult us, and we are not here to consult the interests of the newspaper publishers or the pulp and paper manufacturers of the United States. We are here to look after the interests of Canada, and I hope that this matter will receive the serious consideration of the government.

I have endeavoured to show that this country is not enjoying the prosperity which it should; that the cost of living is not declining; that unemployment is acute; that we are exporting too much of our natural resources in the raw unmanufactured state while continuing to import vast quantities of manufactured products that could profitably be manufactured here. What is the remedy; I know that all will not agree with me in this. My Progressive friends will say: The remedy is free trade. The government will say: The remedy is free trade but we want to pause occasionally as we go along towards it. But I am convinced, Mr. Speaker, that what this country needs is an increase in the customs tariff equal to that of the United States. Give the people of this country an even break, whether they be working on the land or whether they be working in the factories, and then you will soon see the dawn of prosperity returning to Canada.

Mr. H. A. STEWART (Leeds): Mr. Speaker, I propose to deal briefly with some of the questions suggested by the Speech from the Throne. Before doing so, however, I desire to congratulate the member for St. Lawrence-St. George (Mr. Marler) upon the speech which he delivered yesterday. The hon. gentleman always deals with a subject comprehensively, exhaustively and fairly. We may not always agree with his conclusions or his deductions, but his speeches always indicate great labour, thorough analysis of the situation, and conclusions based upon that analysis. I agree very largely with what he said in reference to the development of our trade and what is necessary to bring about prosperity in this country, and after listening to him I am persuaded that he must entirely approve of the resolution standing on the order paper in the name of my leader, the leader of the opposition. I know there are other members on the government side who must feel much the same as the hon. member for St. Lawrence-St. George. He has invited those of like minds to unsheathe the sword and to stand together in defence of those policies which will make for the upbuilding of Canada, and I have every reason to expect that both he and they by their voices and by their votes will support the leader of the opposition when his resolution comes before the House.

I congratulate the mover (Sir Eugene Fiset) and the seconder (Mr. Hanna) upon their efforts in dealing with the Address. True, the Speech from the Throne does not present anything striking or new except a proposal to subsidize a certain shipping line engaged in north Atlantic transportation. Yet these gentlemen have built up a superstructure of praise and congratulation that must be very flattering to the government.

The debate has already disclosed the fact that the leader of the Labour party in this House (Mr. Woodsworth) has pointed out to the government its complete failure to carry out its programme announced previous to the last election. The leader of the Progressive party (Mr. Forke) has also pointed out that his party expects the government to redeem the promise made on the eve of the general election for a general downward revision of the tariff.

The Speech from the Throne speaks about improved conditions in Canada, and in support of that is cited our large volume of export trade. We all admit that it is creditable, that it is desirable, and that we should do everything in our power to increase the volume of that trade. An examination of our history shows that about the time of confederation our exports were largely of natural products. After the adoption of the protective tariff in 1878 there was a development of manufacturing industries and a steady increase in the export of their output, until to-day I believe our

manufactured products are the second largest item in our export trade. The exports of our natural resources consist largely of the products of the farm and the forest. Two thoughts occur to me in this connection. The market for our agricultural products is necessarily a fluctuating one, subject to world conditions, changing from time to time, and therefore uncertain and precarious. The export of our forest products must be approached from another standpoint. We are constantly using up the available supply, and the time may not be far distant when the exhaustion of these vast resources will be in sight. Therefore if we continue recklessly to export our raw materials, nothing but disaster can come to us. It is clear, I submit, to those who have made a study of the question, that the safest course for us to adopt as a nation is to develop our natural resources to the point where they are as nearly completely manufactured as is possible before we export them. That was advocated by the hon. member for St. Lawrence-St. George.

The Speech from the Throne does not make any reference to our national debt—perhaps because the record would not be creditable to the government. Since they attained office, although they condemned, the magnitude of the national debt while in opposition, we find that in the last three years they have increased it by approximately $178,000,000; that is, $128,000,000 of direct liability and about $50,000,000 of indirect liability. The House will see at once why there is no reference in the Speech from the Throne to the public debt.

Nor is there any reference, Sir, to the tax conference which, at the last session, was announced with such gusto by the government as likely to produce permanent and beneficial results to the country. That conference took place—this government is strong on conferences and commissions. It is an easy way to avoid responsibility, temporarily at least, and to delay the solution of a difficult question. We had this taxation conference: it came, it met, it dissolved, and there is no record of any tangible, any visible or any helpful result. That, perhaps, is the reason why no mention of this conference appears in the Speech from the Throne.

Mr. MEIGHEN: What about the unemployment conference?

Mr. STEWART (Leeds): Another celebrated conference was that on unemployment. The Prime Minister states that conditions in Canada are not as bad as those in the United States. I wonder if the records show that numbers of deputations waited on the government at Washington asking for relief from unemployment, and if those deputations were sent away empty-handed, were referred to the states for assistance in that direction and told that the central government had nothing for them, that it was not their business to look after the unemployed. Surely if anything of that kind occurred in the United States the Prime Minister would have mentioned it in support of his argument that the conditions in the United States are much worse than they are in Canada.

The income tax in Canada has been found so severe and so burdensome that it has practically driven capital out of Canada and caused it to seek investment and employment elsewhere. On a previous occasion I referred to this matter. Surely the taxation conference could have found some relief for the Canadian people who are suffering from the triple burden of federal, provincial and municipal taxation, where there is a great deal of overlapping, particularly in relation to income tax. Let me urge upon the government a reduction of the income tax to bring it more in line with that of the United States, thus preventing the removal of Canadian capital to that country, where it now finds investment under more favourable terms.

The Speech from the Throne recommends increased production. In this connection we must consider the dealings of this government with the tariff, because the tariff is intimately related to production in Canada. What do we find? When the government came into office it was pledged to a general downward revision of the tariff, a pledge on the strength of which, no doubt many votes were obtained in some parts of Canada. At the first session after the government attained office an effort was made in this direction—small, it is true, but heralded as a step in the right direction and in fulfilment of this pledge in the party platform. It is true that the reduction was offset by an additional measure of taxation, by an increase in the sales tax. But in the second session we had the statement from the then Finance Minister that we must have stability in connection with the tariff; that there must be no more reductions for some time. Then at the third session we had a substantial reduction in the tariff, so substantial, indeed, that it has affected many industries in Canada, has closed many factories, caused grievous unemployment and brought about the emigration of many thousands of our people. This session we have no reductions forecast in the Speech from the Throne, as we had last session. We have it from the Prime Minister that there is to be at least a pause in connection with tariff ac-

tivities. This discloses, Mr. Speaker, a condition of political paralysis on the part of the government so far as tariff matters are concerned; they are so confused that they cannot move in any direction. Worse still, the result has been to produce paralysis on the part of the industries of this country.

The question of increased production in connection with our natural resources may be made the subject of a reference. I wish to deal very briefly with the question of pulpwood, because those of us who live on the banks of the St. Lawrence river have an almost daily illustration of the folly of allowing our raw pulpwood to be exported to and manufactured in the United States. We see the steamers passing by laden with pulpwood; we see great mounds of it piled up on the American shore of the St. Lawrence river. We submit that this wood should be manufactured as far as possible in Canada. The government took to itself the power to place an embargo on the export of raw pulpwood and a commission was appointed to investigate. That commission has reported, but there is no indication in the Speech from the Throne that the government contemplates any action in the matter. What is the reason for this inactivity? How long are the Canadian people going to stand this sort of thing? Why does the government not come down with a policy either one way or the other on this important question? It is said that action on our part would meet with retaliation on the part of the United States. But surely this is a Canadian question. This is a Canadian natural resource, a Canadian asset, and the Canadian people have the right to deal with their own resources as appears to be best in their own interests. It would not be an unfriendly act on the part of Canada to impose an export duty or to place an embargo on the export of pulpwood from this country. A careful reading of the tariff of the United States—indeed, a casual reading of it—clearly shows that it is framed in the interests of the people of the United States and regardless of the interests of the people of Canada. It is high time that the government acted in this matter and that instead of Canada getting the benefit merely of the price of the million or million and a quarter cords of pulpwood we export every year, we should get three times the price if the material is manufactured into pulpwood, and six times the price if manufactured into paper and then exported. A policy of this kind in connection with pulpwood and with our other raw materials would bring about the establishment of new mills, of new factories in Canada; new towns would rise up around those mills, new markets would be created for our Canadian products; labour would be provided for the Canadian people and the flow of emigration from Canada to the United States would be stopped. This policy is so apparent as being necessary to the interests of the Canadian people that one wonders that it has not long since been adopted.

I have said that this Speech is remarkable for what it does not contain. It contains no reference to the tariff. It does contain some vague and indefinite references to economy, but intimates that economy will not solve our taxation problems. An examination of the public accounts and the expenditure for public works must, I think, convince members of this House that the government in this direction at least are not effecting any great measure of economy. In the condition in which we find ourselves, with a mounting public debt, with falling revenues, with our budgets failing to balance, surely we can curtail any and every unnecessary public work and allow them to stand until conditions improve. We will await with interest the bringing down of the estimate in connection with this line of the government's activities and see whether, or not there is any evidence of economy visible there.

There is, however, Mr. Speaker, one field in which I have found evidence of economy, and that is in connection with the pensions of returned soldiers and their dependents. I have had many complaints; in some cases pensions have been discontinued altogether; in other cases they have been reduced, and a great deal of hardship has resulted. I urge upon this government through the responsible Minister of Soldiers' Civil Re-establishment that all these reductions and cutting off, of pensions be investigated. I know that the Canadian people desire to discharge their duty to those to whom they owe so much, and to properly care for their dependents, and I sincerely hope that something will be done to restore these pensions that are being cut off, with such hardship to so many people.

Mr. BELAND: I dislike to interrupt my hon. friend, but I may say in this connection that the government is responsible for the cancelling of no pensions in Canada.

Mr. STEWART (Leeds): The government may not be directly responsible.

Mr. BELAND: Nor indirectly.

Mr. STEWART (Leeds): It may be done by the Board of Pension Commissioners, but they are responsibible to the government—

Mr. BELAND: No.

Mr. STEWART (Leeds):—and the Canadian people will hold the government responsible for their dealings with the returned soldiers and their dependents. It will not do for the minister or the government to say the responsibility rests upon the Board of Pension Commissioners or some other board or organization. All these boards are creatures of the government and of parliament, and are responsible to parliament for their actions.

Mr. BELAND: I may tell my hon. friend with all due respect that the pension bill for the year is larger than last year.

Mr. STEWART (Leeds): That may be so, but it does not alter the fact that in some cases pensions have been discontinued and in other cases reduced, and that hardship has resulted, and that is the point I desire to press in this connection.

There is one other matter to which I wish to refer, and that is the development of hydro-electric power upon the St. Lawrence. This is a great natural resource which must receive attention at an early date at the hands of the government, and let me urge upon the government that immediate action be taken in this connection. This, of course, at once suggests the larger scheme for the deepening of the St. Lawrence, but as to this let me suggest that it can well wait until our finances are in a better shape. The Hydro-Electric Power Commission of the province of Ontario has submitted to this government a plan, and estimates in detail, providing for the development at Morrisburg of a very large volume of hydro-electric power. The commission has made surveys and observations of the St. Lawrence river extending over a period of years, and has expended, I think, at least a quarter of a million dollars in that connection. The plan has been approved by the province of Ontario and has been submitted to this government for its approval. It does not in any way affect or interfere with the larger scheme for the deepening of the St. Lawrence, but on the contrary facilitates and makes in the meantime ample provision for navigation. The supply of hydro-electric power in the western part of Ontario has been very largely over-taken, and there is need for this development in the eastern part of the province to supplement the supply. The work can be undertaken at once without any large cost to the Dominion of Canada, and what I am urging is that the government give its approval to the plan submitted by the Hydro-Electric Commission of the province of Ontario and allow this work to proceed. It may be pointed out, properly enough, that this is a complicated matter, that it involves a conflict of jurisdiction between the province and the Dominion, between the province of Ontario and the state of New York, and between the Dominion of Canada and the government of the United States of America; but all these things have been taken into consideration, and I do not think there can be anything wrong with this plan or anything that will prevent the immediate development of this large volume of power.

5 p.m.

Let me urge that as the larger part of this power belongs to Ontario and to Canada, the control of it be retained in the Hydro-Electric Power Commission of Ontario, and that it be not handed over to any joint international commission, or any other body that has international jurisdiction Let us preserve in Canada our full share of this supply of power and let us see that it is not exported under any lease, agreement or other arrangement either temporary or permanent. That is the only way to secure in Canada a development to which we are entitled in connection with this great natural resource. This is not a matter for eastern Ontario alone; it is not a matter for Ontario alone; it touches our national life at many points. It will stimulate agriculture, it will develop industry, it will bring traffic to our railways, it will increase our population, and with a wise and careful development of this power I foresee along the St. Lawrence the most extensive and intensive industrial development in the world. I commend this matter to the most serious consideration of my friend the Minister of Railways and Canals (Mr. Graham), whom I see in his seat. He knows the conditions, he knows the need, and I sincerely hope that he will find a way to give an early approval to the plan that has been submitted by the Hydro-Electric Power Commission of Ontario.

Mention is made in the Speech of railway rates. It is of course a very important question and a complicated one, but one Mr. Speaker, which I think should have been dealt with by this parliament at its first, or at latest its second session. The Crowsnest pass agreement was before this House. It was manifest I think to all that it had outlived its usefulness, that it had brought discrimination both in the east and in the west and the government should, I submit, have faced its responsibilities instead of running away from them; it should have revoked or cancelled that agreement, and should have referred the whole question of the revision of rates to the railway commission, the only body in Canada with the expert knowledge

and equipment necessary for determining a matter of that kind. But as usual the government dallied with it. It dealt with it in a measure, it nursed it along, and we have had several rates in the meantime. We have had confusion, and we have had appeals and litigation and a great deal of expense, and now the whole matter has to be faced and dealt with as it should have been faced and dealt with two or three sessions ago.

I do not propose to deal with the question of the North Atlantic Conference, and the efforts that are outlined in connection with freight rates on the ocean, as another opportunity will be presented for dealing with that question. Speaking of an export duty the recent report of the grain commission intimates that an export duty might well be imposed upon wheat going to the United States, in view of the very high duty that is imposed against us. A great deal may be said in favour of this, and on behalf of the eastern farmer, I can see that the by-products of this wheat, if milled in Canada, would be available for the feeding of his cattle.

I wish to summarize some of the matters upon which I have touched, and in order to condense my contention as much as possible, I make the following submissions:

First, that there should be a downward revision in the scale of the income tax, to make it approximately the same as that of the United States.

Second, that there should be an upward revision of the tariff wherever necessary to protect the Canadian farmer in respect of the large volume of American produce that is coming into Canada, which we can produce here, and which has been referred to by the previous speakers, and also for the purpose of protecting such industries in Canada as suffer from unfair competition from the products of countries having depreciated currency and cheap labour.

Third, an export duty or embargo on pulpwood and other natural resources.

Fourth, approval of the plan of the Hydro Electric Power Commission of Ontario for development of electrical power on the St. Lawrence.

Fifth, curtailment of all unnecessary expenditures.

These I submit, Mr. Speaker, for the earnest consideration of the House and for prompt action at the hands of the government. I cannot help, in conclusion, comparing the pale anaemic Speech from the Throne with the resolution which is proposed by the right hon. leader of the opposition (Mr. Meighen). The Speech from the Throne seems calculated to outline as little as possible for the relief of the Canadian people. It seems to be intended for a short session, with possibly an election in June, when there may be a new issue of political promises as there was in the last election. The resolution of the right hon. leader of the opposition which will be discussed in due time sets out a programme, not for a session, not for to-day, not for an election, but for a generation, a plan that will, if properly applied to varying and changing conditions, bring about the development of our natural resources, will build up our population and will make of the Canadian people a virile, strong and vigorous nation.

Hon. R. J. MANION (Fort William and Rainy River): In the early part of the afternoon, Mr. Speaker, we had a discussion as to whether the Speech from the Throne should be further debated in this House. I have been sitting in the chamber for the last hour and a half since that discussion occurred, and I think if we required any proof that this discussion should not be shut off, the two speeches that have preceded mine are proof enough. I thoroughly enjoyed listening to the constructive suggestions which were made to the government by both of those speakers. One remark of my hon. friend for Leeds (Mr. Stewart) struck me as particularly true, though it was not a suggestion. He said the Speech from the Throne was "anaemic," and I found myself thinking it was pernicious anaemia that was the trouble. I think many of his suggestions were well worthy of the consideration of the government. I was particularly interested in the speech of the hon. member for West Algoma (Mr. Simpson) who preceded me, a gentleman who, unhappily for the House, has been for the last couple of years, due to illness, unable to raise his voice in the debates of this House, but a man who has the respect of everybody in this House and the respect of everybody in Sault Ste. Marie, whence he comes. His voice once more raised in this House dealing with the problems of Canada will be an acquisition to the House. I was particularly interested in his remarks about the development of iron, and I may point out to my good friends to my left that the report from which he quoted dealing with the iron development of Canada, or the bounty system, was a report gotten out by a commission appointed by the late Drury government, the Progressive government of Ontario. I do not know whether my hon. friend mentioned that fact. That commission reported in favour of helping to develop the iron resources of this

country by a bounty system. I believe the proposition is a very good one. I believe that their proposal to this Dominion government, that they combine with them and bring in a bounty system which would help to develop the hundreds of millions of tons of iron ore which exist in nearly all sections from the Atlantic to the Pacific, would be a worthy project for this parliament to undertake in order to help develop some of these resources of which some of us speak perhaps too much, but for the development of which we do so little.

I intend to confine my remarks pretty much to the Address and some of the subjects contained in the Address. I do not propose to discuss the tariff question, except to make a few remarks in reply to some statements which have been made, because I believe that my hon. friend for Vancouver Centre (Mr. Stevens) gave us such a very fine address upon the tariff, supported by the hon. member for Halton (Mr. Anderson), that we require from this section practically no elaboration of the theme at this time, though on the motion of my right hon. leader (Mr. Meighen), which is on the order paper, and on the budget itself, no doubt we shall be able to offer whatever suggestions we may wish to make. I intend to limit myself fairly well to discussing the Address, and in doing so, may I pick out what the government itself has declared to be the most important problem of Canada at the present time? I will quote the words in the third paragraph of the Speech from the Throne:

> The problem of the cost of living is the most important that my ministers have in mind at the present time.

Therefore, if I take that as my text, I am sure that the government cannot quarrel with me, and if in speaking to that, I do what is usually done in speaking to texts, if I tell them a few wholesome truths, I am sure that they will not be able to quarrel with that either. The cost of living has become to the Prime Minister almost an obsession. I remember for the past seven or eight years, when he was either moving amendments to the Addresses of the government which preceded him or putting into the mouth of His Excellency the Speech from the Throne, he invariably brought up the question of the cost of living. That to him, as I said on another occasion, has been a little like what the head of Charles I was to Mr. Dick. It has got in his road and prevented him from seeing any of the other problems of the country. I remember reading what Mark Twain said of the weather. He said that everybody complained about it but nobody did anything about it. The trouble is that the government keeps on talking about the cost of living, but does nothing about it. A difference of two or three or four points is the most the Prime Minister has claimed as the reduction in the cost of living. During the four years he has been in power a reduction of two or three or four points out of 150 will not make any appreciable difference, and they have probably been lost since he has made his speech.

The Prime Minister says that the most important problem the government has under consideration is the cost of living. I do not agree with him at all. I think the real problem in Canada to-day for the vast majority of our people is the problem of getting a living at all. Would you mind telling me, Mr. Speaker, if out of the 180,000 or thereabouts who left the Dominion of Canada to go to the most highly protected country in the world to earn a living, did one leave this country because of the cost of living? Not one. Every one of those without exception left this country because in Canada he could not earn a living at all. It is not cheapness the people are always looking for; they are anxious to be able to buy goods at all. They are anxious to be able to get work and wages so that they can buy for themselves, a living of some kind or another. This they have not been able to do in this country.

The second question of importance, particularly for the business man, is the problem of the appalling taxation under which business in this country is suffering. Therefore the Prime Minister himself, as is usual in the slipshod methods of the present government, made a wrong diagnosis of the cause altogether, and as is so well known in the profession which I practise when I am not in parliament, if you make a wrong diagnosis, your treatment is necessarily wrong. You cannot treat a patient correctly unless first your know the cause of his illness.

Mr. ARTHURS: What happens to the patient?

Mr. MANION: What happens to the patient is just what is happening to the country at the present time. He goes into dissolution. What is really needed in Canada is a policy to permit the people to earn a living here instead of expatriating themselves to the United States to earn a living, and to permit particularly those who cannot afford to expatriate themselves to the United States, to exist in this country. What we want is work for the worker and less taxation for the business man. In addition to that, we want

enough work so that we can bring into this country a steady stream of immigrants who will, by increasing our population, decrease our debt and help to develop the natural resources of Canada. Instead of that we have a policy which has brought about conditions which I intend to describe, ever keeping in mind the danger of being called a pessimist which seems to be the popular way among politicians of describing anybody who looks the facts in the face. Conditions in Canada to-day are so depressing that they are frightening all people who live in the country, all people who have a hope for the country to become the great, powerful, peace-loving nation that its destiny says it should become. It makes them fear for the future of Canada. It makes them ask themselves if we have got into a morass from which it is impossible to extricate ourselves. I am forced to think of something which illustrates this point very well. Any member of this House—and you, Mr. Speaker, are one of them—who has been in Europe, has, while in London, no doubt, visited that splendid cathedral of St. Paul's. As you enter the cathedral, on one side there is a tablet in honour of the architect, Sir Christopher Wren, and on that tablet the following words are engraved:

If you wish to see his monument, look around you.

In the same way, if you wish to see the monuments of this government, look around you. Its wreckage lies on every side. We have idle plants, idle people and idle talk by the Prime Minister that Canada is prosperous at the present time. We have wrecked businesses, closed factories, closed plants of all kinds, depressed people, unrest, discontent, dissatisfaction and finally, to cap it all, we have discussions going on which have not gone on in Canada to any extent for a long time past, discussions regarding whether we should have secession in our country, that is, breaking up our confederation, or whether we should have annexation to the United States. In other words, we have in Canada to-day a veritable slough of despond. I suppose my smiling friend over there, the Minister of Trade and Commerce (Mr. Low) will say that I am exaggerating, but I am not exaggerating and I intend to prove my statements. As regards unemployment, I do not need to give proofs, though I intend to give very briefly two or three. Anybody who knows the country at all, knows that unemployment is more rampant in Canada to-day than it has been in twenty-five or fifty years.

Mr. MURDOCK: Nonsense.

Mr. MANION: Of course, my hon. friend always has some reply of that sort to make, but idle men on the street will tell him that I am speaking the truth. I will quote from one of the articles from which my right hon. friend quoted the other day and which I had also run across. This is an article from the Montreal Star of February 6, reporting a Trades and Labour Council meeting in Montreal, and I intend to quote just two or three passages from it. The report of their committee shows that out of 48,000 odd men covered by their unions, 9,500 are out of employment and 22,000 are working on short time, these two figures together being over 65 per cent of the membership of the union who, are either out of work altogether or working short time. Further down the report states:

The extent of unemployment was greater than in the same period last year and a very serious condition of affairs existed among the working classes of the city.

A little further down, it states:

More calls from distressed people for personal aid had been received than during the last winter or the winter preceding.

In the report it shows the official figure given by the Minister of Labour as to unemployment in Canada as 44,000, and the report states:

The figure given for Canada is ridiculously low and the actual condition must be at least twice that amount.

That is the reply of the Trades and Labour Council to the nonsensical statement of my hon. friend. The hon. member for Parry Sound (Mr. Arthurs) suggests that the Salvation Army in Toronto, his own city, could give him some information also which would hardly agree with his statistics. I hold in my hand a circular which was sent out to many members, probably to all members by the British Empire Steel Corporation in connection with unemployment in the steel industry in Canada. They give figures to show that there are 48,000 less employed in the iron and steel industry in Canada to-day than there were in 1920. The Halifax Herald is quoted. I do not know what the politics of the Herald are, but the fact is that this newspaper is quoted:

What do these figures tell us? That the work is being done in the United States. It is there that men find employment. It is there that wages are being earned—while Canadian mills are closed down.

I give another quotation:

The special correspondent of the Iron Age—

This is another Toronto paper.

—who investigated conditions in all the Canadian iron and steel works makes it quite plain that they are much the same in Ontario as they are in Nova Scotia—

My hon. friend from West Algoma (Mr. Simpson) agreed this afternoon with that.

—and that the reason is not one that applies to one locality more than another, but is general. It is simply tariff reductions.

A little lower down there appears the following:

Mr. Sanderson's investigations and report show that the tariff, or rather lack of it, has had a very important effect not only in reducing production but in causing many workmen to leave Canada for the United States, where employment conditions have been more satisfactory. Canadian iron and steel industry is experiencing severe competition from many directions. The action of the government in connection with its budget for 1925 is awaited with interest.

I hope that the budget will show something substantial, but I do not base my hopes strongly on anything I have heard. Let me tell the Minister of Labour (Mr. Murdock) that in the Toronto Globe, a newspaper which can hardly be described as a supporter of this party, there appeared on October 9 a group picture on the front page, which I possess among my papers, of some fifty mayors of the cities and towns of Ontario—not of Canada but of Ontario—who it was stated were visiting at that time the Conservative Premier of Ontario, Mr. Howard Ferguson, asking him for relief for unemployment conditions in the various places which they represent. And I can speak for my own city, which perhaps has not been harder hit than any other, and which it may be has been more fortunate in this regard than some. To-day I can hardly walk down the streets of Fort William without being stopped both by business men and by workers who want to know what in heaven's name is the matter with this country of ours. They all ask the same question—what has happened to this Dominion? I can assure my hon. friends that I have told them to the best of my ability.

As regards the exodus from Canada, there is no doubt that it is declining, and some of the Liberal newspapers as well as the Prime Minister have boasted of this fact; they have made much of the decline in the exodus of the Canadian people. Well, there is no doubt that the exodus is lessening, but the reason is obvious: there are fewer people to draw from. The exodus, Mr. Speaker, is declining for the same reason that the flow of a man's life blood decreases in proportion as he gets nearer to dissolution. The Prime Minister the other day in his speech made the statement that the figures of the Labour department of the United States were incorrect, that is to say, that the actual figures in regard to the exodus from Canada to the United States were not as high as they were represented. And no doubt the Minister of Labour will agree with that. But I know sections of this country,—such for example as the district around Fort Frances—which lies on the international border, where I am informed that daily towards dusk there are streams of men slipping across the line into the United States, of whom, of course, no records are kept. And I know also that in my home town in the practice of my profession I am flooded with requests from young Canadians, Scotsmen, Irishmen, Englishmen, who have been living for some time in this country, for certificates of health which they require as a pre-requisite to entry into the United States, since it is necessary that they produce such a certificate before being admitted in to that country at the present time. The very cream of our British stock is leaving the country and going across to the United States. If hon. gentlemen need further proof I will quote once more the Toronto Globe. Here is an article which appeared in that newspaper on December 15, less than two months ago, being a special despatch to the Globe from Windsor, Ontario:

Windsor, December 14—Upward of 1,250 persons from the British Isles have made application at Windsor for permission to enter the United States, Marshall M. Vance, United States consul at the border, said Saturday. Under the present quota law, the consul explained, enough applications are on file to fill the quota needs for the next 42 years.

I notice that the Minister of Labour makes no comment. However, I think I have given sufficient proof from various newspapers as to the exodus that is taking place. Now, Mr. Speaker, I do not claim to love my country any better than other Canadians do, but I do think that to every patriotic man in Canada it must be a sad sight to see the very life blood of the nation flowing out as it is. It must be a matter of great concern to every serious citizen to see the young men and women of this country emigrating to the United States, probably never to return. Whoever has studied French history knows that in those cruel days of two or three hundred years ago, the days of religious persecution in that country, France lost tens and hundreds of thousands of Huguenots, the finest artisans in France, who were driven into England, Germany and Holland for conscience sake. England, Germany and Holland profited to an enormous extent, while France's loss was inestimable, in the exodus from their native land of these Frenchmen. Unfortunately the same condition exists in Canada to-day, but the fact is that the present situation is due not to the tyranny of any autocratic king but to the stupid policies of a vote-hunting government who desire to maintain themselves in power. To-

day the factories of England, Belgium, France and the United States as well as of Czecho-Slovakia and other countries, are retaining their artisans, producing goods that find their way into Canada, while the young men who work in our Canadian factories are among those who are making their exit to the United States.

The Prime Minister has declared it unpatriotic for us to discuss these facts. But, Sir, what is there unpatriotic in one's saying publicly what everybody says privately? I suppose, Mr. Speaker, that I shall be accused to-morrow of being a pessimist merely because I have ventured to look the facts in the face. But I take it that this charge will come from those who place party above country, who are Liberals first and Canadians second, or rather perhaps, I should say, who are politicians before being patriots.

But let me ask hon. gentlemen a question. If a man who has worked during a substantial period of his life and has gradually accumulated a competence and built for himself a home which he loves, should upon returning some evening find that house in flames, with all his savings in the course of destruction,—what would one say of such a man if he stood by and, with cheers and laughter, declared that conditions for him were never better than at that particular moment? Would such a man be considered an optimist? I would call him an imbecile. Well, Mr. Speaker, without intending any offence at all, I must say that it seems to me that those who stand up in this country and declare that conditions were never at any time better than they are to-day are suffering from the same mental condition.

Let me say that I am no pessimist so far as Canada's future is concerned; I am not pessimistic regarding the great destiny of this country. I am, however, doubtful whether under present conditions, and under such a policy as is being pursued to-day, Canada will realize, as soon as we should hope, the destiny which we all anticipate for her. I am afraid that if present conditions are continued indefinitely the great destiny of the Canadian people will be retarded ten or twenty, indeed perhaps fifty years. I am alarmed at the prospect, Mr. Speaker. But some of the greatest men in the country share this misgiving; men like Sir Frederick Williams-Taylor, the president of the Bank of Montreal, Sir Herbert Holt, Mr. Beatty, and representatives of the Trade and Labour Council are all uneasy. These gentlemen have expressed views pretty much the same as I have voiced to-day, although perhaps in milder language; but they have all reached absolutely the same conclusion. The only period in our history in which I can find a parallel to the present state of affairs was that period around 1878, when conditions were indeed severe. Anyone will discover, if he takes the trouble to read the speeches of members of parliament as recorded in Hansard of that time, how tense the feeling of the nation was then, when the Prime Minister on leaving the House of Commons was accosted on the streets by people who cried for either bread or work. To-day too the people are crying for bread or work; the workmen are crying for bread or work and the Prime Minister gives them statistics, statistics in regard to Canada's external trade. I am sure that these statistics will serve to relieve the pangs of hunger of these workmen and help to pay their rent.

My right hon. friend appears to be of the opinion that external trade is more important for a country than internal trade. Internal trade is the really important trade for a country; in other words, the ability of the people to buy and sell among themselves. You can look back over the history of the world and find many instances of countries where the people were dying by the tens of thousands and even by the million from absolute famine while their foodstuffs and other products were being exported to a large extent.

Mr. ROBB: Before my hon. friend leaves the question of population, perhaps he can give me this information, as he comes from just on the edge of the prairies. If I understood him aright, he was referring to the exodus of our people to the States. Will he explain how it is that the three prairie provinces are basing their demands for the subsidy we pay them of 25 cents a head on a population of 169,000 more than in 1922?

Mr. MANION: Of course, I have not the mind of the prairie provinces in my keeping. The only answer I can give the minister is this: I heard the representatives from the three prairie provinces in this House asking the government for the return of their natural resources, and I presume they have got so tired waiting that now they are making a substantial demand in order to secure good fair treatment.

Mr. ROBB: No, this is based on the statistics of population. As my hon. friend knows, we pay the provinces so much per head of population. To-day they are basing their claim on a population of 169,000 more than they had in 1922.

Mr. MANION: Of course, I do not know anything about it.

Mr. MEIGHEN: I presume they took the figures given by the Dominion statistics office, which lately published statistics of our population. They would be justified in doing so. But the Chief Statistician will tell the minister that in arriving at those statistics he took the rate of progress in the ten years previous and projected the curve into the three years. So the minister will see of what use those figures are.

Mr. ROBB: I would not admit that at all.

Mr. MANION: I do not care anything about the figures the prairie provinces sent down in making their demand on my hon. friend; but I do know, as everybody else knows, that the exodus from this country is painfully large, that our people are going out by tens of thousands to the United States.

I was going to give some further proofs of conditions in this country, and I was going to point out that for the first time in very many years we have had what happened many years ago—talk of annexation and of secession. We have people asking if confederation is a failure. I have seen it stated in some Toronto paper that there is no talk of annexation in this country. I think that statement must have been made in a Pickwickian sense, because I have heard openly on Pullman cars and on the streets talk of annexation, I have had sane business men ask me if it was not necessary, in order to get out of this morass of difficulties, to join up with the United States. Just within the last week an outstanding gentleman in this city, one whose name is familiar to everyone in this House, one who is not an annexationist, told me that if a vote were taken in one of the largest sections of the country, comprising about a third of the population, annexation would carry overwhelmingly. What a terrible condition of affairs to exist in such a country as this!

Mr. GRAHAM: Do you think he was well informed?

Mr. MANION: I think he is just as well informed as my hon. friend the Minister of Railways. I know him as well as I know my hon. friend, and I am not making any reflection on the Minister of Railways, indeed I have the greatest respect for him. But the gentleman to whom I am referring is just as well known throughout the Dominion as my hon. friend.

Mr. GRAHAM: That is not the point. He may be as well known as the toll gate used to be. What I am trying to get at is this. Are you serious in telling this House that you believe that one-third of the people of the Dominion, take any third you like, are in favour of annexation?

Mr. MANION: I did not give that as my own statement; I gave it as the statement of an outstanding gentleman in this country, a gentleman whose name is familiar to everyone in the House. He said to me that if a vote for annexation were taken in this section of the country, which comprises one-third of the people of Canada, it would carry overwhelmingly.

Mr. GRAHAM: My hon. friend and myself are agreed; he does not believe that statement any more than I do. At least I imagine he does not.

Mr. MANION: I am not so sure if at the present time a vote were taken in the section of which he speaks it might not carry, due to the terrible conditions brought about by the foolish policies of this government.

Mr. GRAHAM: I am surprised.

Mr. MANION: When I was interrupted rather generally, I was explaining what a crime it was to have even the suggestion of annexation whispered in this country, with its magnificent resources, its wide spaces, and its sparse population. I do not know, Mr. Speaker, if anybody here is drawing the conclusion that I am advocating annexation.

Mr. MURDOCK: I am drawing that conclusion.

Mr. MANION: I do not care what conclusion my hon. friend draws; he is likely to draw any conclusion. I was asking if any private members were drawing such a conclusion. I say here, so there may be no misunderstanding, that I was quoting what someone had said to me, and I was pointing out the crime of even a suggestion of this kind. So far as I am concerned I am a Canadian first, last and all the time.

And we do not need to go outside this House to hear talk of secession. The hon. member for Qu'Appelle (Mr. Millar), I think it was, said the other night that the feeling for secession in the prairie provinces had grown to a terrible extent in the last few years.

An hon. MEMBER: No.

Mr. MANION: That is the effect of his speech—I heard him—that the feeling for secession was very marked in the prairie provinces at the present time.

An hon. MEMBER: That is better.

Mr. MANION: But apart from that, we do not need to go outside the House at the present moment in this respect. My good friend the hon. member for Springfield (Mr. Hoey) in a speech, heralded from one end of the Dominion to the other, said that if the western provinces could not get their demands satisfied he did not see any reason why confederation should be maintained.

Mr. HOEY: My hon. friend is wrong again, and perhaps he will allow me to state what I then said, which was this: That if confederation could not be maintained on a basis of justice, I could not see why it should be maintained at all.

Mr. MANION: I am not quarrelling with the words. At least, my hon. friend was in a condition to discuss the reasons why we might have secession, why confederation should break up. Have those conditions existed in this country before where people on the street, business men and members of parliament have been standing up and discussing secession? Never in my memory.

Mr. GRAHAM: Have you read the history of the annexation manifesto?

Mr. MANION: But that was away back in the times I speak of when conditions were very much as they are to-day, about fifty years ago. The hon. member for Springfield has been in this country only fifteen years. Might I suggest that he leave the talk of breaking up confederation to some of our native sons? Because when he remembers that he has been but fifteen years in the Dominion, and in that period, according to a speech he delivered in this House two sessions ago—what he then said has been applied to him, and he has not denied its application—according to that speech, within the fifteen years he has raised himself from a $7 a week labourer to a college-bred man and a member of parliament at $4,000 a year. I think that record is very creditable to him, but I also think it is very creditable to the opportunities which this country offers to those who come here. And I may add that to me his stand appears to be somewhat similar to that of a man whom you invite to partake of a good, substantial meal and who criticises the fare.

Miss MACPHAIL: I should like to ask the hon. gentleman if the Conservative party in 1911 did not establish the precedent when they talked annexation?

Mr. MANION: The Conservative party of 1911 never talked annexation. They did point out what many people are pointing out in this country to-day, namely, that if foolish trade policies are carried out they might lead to annexation.

Mr. MARTELL: Mr. Speaker—

Mr. MURDOCK: They waved the flag to fool the people.

Mr. ROBB: May I interrupt my hon. friend? Was not my hon. friend a supporter of that policy?

Mr. MANION: I have answered that question a number of times. I do not like to repeat to my hon. friend what I said last year when another hon. gentleman asked me that question. I pointed out to him that I got wiser with age.

Mr. MURDOCK: And three months' experience in the cabinet.

Mr. MANION: Perhaps I did get wiser with three months' experience in the cabinet, but my hon. friend has not appeared to get wiser with three years'.

Mr. MOTHERWELL: He is here yet, anyway.

Mr. MANION: Well, we are very glad of that. I am sure my hon. friend over there has sat there about as long as he can. Now, if I may be permitted to go on with my speech, the other hon. gentlemen having made theirs, I would like to do so. I had hoped to get through by six o'clock, but I am beginning to see now that I shall have to go on after the recess; that, however, is not my fault. My hon. friend and leader (Mr. Meighen) asks why hon. gentlemen opposite do not make speeches. I understand that they have made a resolution not to make speeches; perhaps I may succeed in stimulating them to come back a bit.

I have noticed—if I may be permitted to resume my remarks—that the severest critics of our country have always been newcomers, men who perhaps have gone through some hardships, but whose difficulties have been very small indeed compared with those of our native-born Canadians, particularly the pioneers of the earlier days. As to this talk of annexation, I hope I can reassure my hon. friend the Minister of Railways that I have not become an annexationist.

Mr. GRAHAM: I did not suggest that my hon. friend was. I would not do that with him—if he will allow me: I was pointing out that when my hon. friend quotes from somebody's remarks as an evidence of the spirit in the country he ought at least, if he does not believe them, to tell us so.

Mr. MANION: I have done that. I hope I have dissipated the worries of my hon. friend on that point.

Mr. GRAHAM: I would not like to see the hon. member go wrong.

Mr. MANION: My hon. friend has been going wrong so long that he does not like to see others go wrong. Well, Mr. Speaker, such talk of annexation, such talk of secession is unpalatable to those native-born Canadians of all races and creeds who wish to see this become a great country, who wish to see Canada develop into a great nation, who wish to see their sons, even if at some personal sacrifice, remain good, whole-souled Canadians and not become Americans. It is true that we have some difficulties to surmount, but to the courageous man or the courageous nation great difficulties should lead to great achievement, not to despair. I was quoting these statements regarding annexation and secession and so on simply to prove that the conditions in this country are terrible at the present time—the conditions of depression in business; the conditions of unemployment; the conditions of unrest and dissatisfaction and discontent among the masses of the people of this country.

I wish in the few moments that remain with me before six to give what I consider to be the two chief causes for the dissatisfaction, the discontent, the unrest and the unemployment which prevail in Canada at the present time.

In the first place—and I place it first because I believe it is the most important—I consider the cause of the conditions which exist to be the unstable tariff policy of this government, because that unstable tariff policy has led to instability in business to reluctance on the part of investors to invest their money, and to fear on the part of all Canadians for the future of their country. Now I am going to quote another prominent citizen of this country, a manufacturer, who told me the other day that within the past year he had sold all his interests in his big manufacturing plant in Canada, because, he said, "I do not wish to take any chance of being driven out of business by the unstable tariff policy of the present government." I do not need to go outside of the Liberal party to get quotations which show the need of stability, In 1923 Mr. Fielding, Minister of Finance—and, I believe, still Minister of Finance—stated that if we were to have progress and prosperity among our business men we must have stability in our tariff policy. Then he went on to say that if we were to have stability the tariff cuts must be considered as finished; that we must not go any further; that the tariff was low enough at that time. Then the Acting Minister of Finance (Mr. Robb) comes forward in the following year, with the Right Hon. Mr. Fielding sick in bed, and makes some further cuts. The Minister of the Interior (Mr. Stewart) who is not in his seat, said on that occasion that that was the "death knell of protection." Then the Prime Minister in Toronto the other day said that there was going to be "a pause." He did not say how long the pause would be; in answer to the hon. member for Vancouver Centre (Mr. Stevens) the other day he said it was only a pause. In these circumstances, in view of the talk of the death knell of protection; in view of the "pause" that is now suggested, and in view of the statement of Mr. Fielding to which I have referred, is it any wonder that nobody can tell what the tariff policy of this government is? Is it any wonder that as a consequence manufacturing plants in my city and in other cities throughout the country have been closed? Is it any wonder we have unemployment among the artisan classes of Canada? And, Sir, the whole condition as I have described it can be laid at the door of this government because of its unstable tariff policy.

I am going to touch for a moment on one or two tariff questions which came up in the speech of the right hon. Prime Minister the other day. He made a statement in the House which he has made in various parts of this country and with which I do not agree, namely, that the tariff is a tax; and he usually ends up his reference in that connection with the words. "Now, remember that the tariff is a tax."

Mr. MACKENZIE KING: Hear, hear.

Mr. MANION: He says "hear, hear", so he reiterates his statement of the other day. He throws out to the people the inference that if you raise your tariff at any time you thereby raise your taxes. That is what he implies.

Mr. MACKENZIE KING: Hear, hear.

Mr. MANION: Well, I do not agree with that. It is one of those half truths which my right hon. friend criticises when other people are responsible for the statement of them. There are times when the tariff is a tax. The tariff is a tax upon the people when the people purchase goods which are imported and against which customs duties are imposed, and it is also an indirect tax—

Some hon. MEMBERS: Oh, oh.

Mr. MANION: Just a minute. It is also an indirect tax when the manufacturer takes advantage of the tariff to raise the prices of his goods. Does that suit my hon. friends? That is what I think they had in mind just now. I usually go so fast that they cannot get in between the words of my sentences, but apparently I did not succeed this time. Well, I do not agree that that condition exists, except in perhaps a small proportion of cases. There are very many cases where the tariff has no effect in the raising of the prices of goods. Where the people buy the home products and the prices of those products are not raised by reason of the tariff. Will the Prime Minister claim then that the tariff is a tax?

Mr. MACKENZIE KING: The tariff is always a tax.

Mr. MANION: No, it is not always a tax, and my right hon. friend is either wilfully attempting to delude the people or he does not know what he is talking about.

Mr. MACKENZIE KING: There are different types of taxes. There are taxes in the nature of sales taxes; there are taxes in the nature of customs dues. Customs dues are determined by the tariff, and they are certainly taxes.

Mr. MANION: Customs dues are a tax when the manufacturer takes advantage of the tariff to raise his prices; I will admit that. But there are very many cases where the prices are not raised at all on account of the tariff, where all the tariff has done is to hold the Canadian market for the Canadian people. That applies to many lines of goods in this country—very many; and there the tariff is no tax at all.

An hon. MEMBER: Name them.

Mr. MANION: I have here an article by Mr. F. W. Stewart, of the city of Montreal, a man who is well known to many members of this House, one of the best known citizens of that city. He represents in this country the Cluett Peabody collar and shirt people, and is therefore in a position to judge of the conditions as affecting men's furnishings, much better perhaps, than members of this House. Mr. Stewart is a personal friend of mine, and he has pointed this condition out to me on many occasions. He has written an article for the Listening Post. Nobody will accuse the Listening Post of being a friend of ours—recently, at any rate. There was a time when the Listening Post did seem friendly to us.

Mr. ROBB: Is not Mr. Stewart—I am not referring now to the Listening Post—president of the Conservative Association of Montreal?

Mr. MANION: Yes, I think he is president of one of the Conservative associations of Montreal. But does my hon. friend not think that there are a few truthful Conservatives?

Mr. ROBB: That is not the point. My hon. friend was trying to tack it on to the Listening Post.

Mr. MANION: I think Mr. Stewart is president of one of the Liberal-Conservative associations of Montreal. However, here are the facts. I remember reading a letter in a local newspaper from someone in this city who had been accused of doing this, that and the other, and who replied, "Supposing that is all true; supposing I am brother of the devil himself; what has that to do with the facts?" It is the same with regard to Mr. Stewart. His position in the Conservative association has nothing to do with the facts.

Mr. WOODSWORTH: Would not the hon. gentleman apply that same line of reasoning as to whether a man is a native born Canadian or an immigrant who has come to this country?

Mr. MANION: Yes, but I submit that the native born Canadian who has lived here all his life should surely be the first to speak of breaking up confederation, if there is to be any talk of that kind.

Mr. MURDOCK: There are some in this House, not native born Canadians, who have lived here under the conditions that existed in this country longer than my hon. friend has lived in Canada.

Mr. MANION: They may have lived here longer than I have; I cannot help my age, but I will not admit they have lived here under the conditions that we have at present because there never have been conditions in this country such as we have at present.

Mr. McBRIDE: Is it not so that some are Canadians because they cannot help it while others are Canadians because it is the land of their adoption?

Mr. MURDOCK: And loved it.

Mr. MANION: I was going on to quote Mr. Stewart, if my hon. friends will permit me. Mr. Stewart enumerates the items of clothing which a man wears in this country and compares the prices here and in the United States. He gives the price of hats,

suits, overcoats, woollen underwear, cotton underwear, collars of various kinds, shirts and ties, in fact practically the entire outfit in wearing apparel that a man requires in this country, and gives the prices for these goods of equal quality and of equal workmanship in Canada and the United States. The cost of the outfit in Canada is $95.30, as compared with $124 in the United States, a difference in favour of Canada of $28.70, in spite of the fact that there is a duty of something like 37½ per cent against practically all of these goods coming into Canada.

Mr. BROWN: Is it not, however, the British competition in these lines that our friends complain of? The comparison should be between British goods and Canadian goods.

Mr. MANION: That is true in regard to woollen goods, but not of the goods generally. It is not true with regard to cotton goods for instance.

Mr. BROWN: Why not? Is not Britain a manufacturer of cotton goods?

Mr. MANION: Yes, but so is the United States. Not only that, but cotton goods in Canada, Mr. Stewart claims, and he has shown me at different times the actual items, despite the duty, are cheaper in this country. The point I make is that the tariff itself does not necessarily raise the price of goods, and any man who is fair-minded and looks at the question from the proper standpoint knows that is the absolute truth.

At six o'clock the House took recess.

After Recess

The House resumed at eight o'clock.

Mr. MANION: I regret very much that, on account of the various members on the other side of the House insisting on making speeches this afternoon while I was making my remarks, I am forced to continue after eight o'clock this evening, and I sincerely hope what I have said will stimulate my good friend the Minister of Labour (Mr. Murdock) to come forward and make a statement. I see he is ready now to come forward and give us a lot of facts of which he speaks.

Mr. MURDOCK: Hear, hear.

Mr. MANION: When the House rose at six o'clock I was discussing the statement of the Prime Minister that a tariff is a tax. With his statement to that effect, which he has made in this House and in various parts of the country and reiterated here this afternoon during my speech, I disagree; but I agree with him to this extent, that a tariff is a tax providing anyone buys the imported goods and pays the duty on them; or it is an indirect tax when the manufacturer in the country protected increases the price to the people of the goods he sells. I admit that his statement is a half truth to that extent, but I do not admit that the tariff is a tax generally. I wish to elaborate a little further, more than I intended to do this afternoon, and more than I would have done had I been able to finish at six o'clock, but since my statement was so generally disputed by the Prime Minister himself and various others on his side of the House, and by members to my left, I intend to prove my point to the satisfaction at least of those who have an open mind on the subject.

In the first place I remembered—and I looked up my facts to make sure of them—that in Great Britain where they have free trade they collected more by customs duties than they collected in the United States under protection; and I find myself wondering what an extraordinary thing it is if the tariff is, as the Prime Minister says, a tax, that a country the most highly protected in the world, with the highest tariff in the world, collects less than a country which is supposedly a free trade country like Great Britain, with less than half the population. I have checked my figures, so that my statement will not be disputed. I looked up the Statesman's Year Book and I intend to lay the facts before the House. I refer to page 35 of the Statesman's Year Book of 1924. In Great Britain they collected by customs—not excise but customs; I am not talking of the excise duty at all—in the financial year 1922-23 £122,000,000. Multiply that by five and you have something over six hundred million dollars. Then I turn to page 451 of the same book and I find the customs revenue for the United States, which country I think to-day is the most highly protected country in the world; and I will give you their customs revenue for the same year, 1923. It is for the year 1923, whatever time they end the fiscal year in that country, and I find their customs revenue was $562,000,000, perhaps around $40,000,000 less collected by the customs revenue of the United States than by the customs revenue of England, where they have free trade as opposed to the United States, where they have protection, with two and a half times the population. Under those circumstances I would suggest to the Prime Minister that if the tariff is a tax the best way to handle it to increase our collections

is to wipe it out altogether. He might better accept the suggestion of my hon. friends to my left who believe in free trade in the country, wipe out the tariff and collect the customs by a free trade tariff as they do in Great Britain.

Mr. BIRD: Does the hon. gentleman mean to say that the British customs tax is a protective tax?

Mr. MANION: No, it is a free trade tax. It is a free trade tariff. I remember well in the 1921 election my right hon. leader (Mr. Meighen) making some criticisms about what he called a free trade tariff, and one of the leaders of the Farmer's party,—I think I could state which one it was—stood up and laughed at the idea of a free trade tariff. He said there was no such thing. But there is one to the extent of $600,000,000 a year in Great Britain, and I will explain to my hon. friend, who I know is looking for information, though I hope he does not agree with the hon. gentleman for Brandon (Mr. Forke) that reason does not appeal to the members from the prairie provinces when it comes to the tariff. I will explain how that vast collection of $600,000,000 is made up—at least $500,000,000 of it. That $500,000,000 is collected on a tariff on three substances, tea, sugar and tobacco. They provide a revenue in England of £103,000,000 according to the same book and on the same page.

Mr. EVANS: Are they produced in Great Britain?

Mr. MANION: What that has to do with the question I do not know. No, they are not produced in Great Britain. That is why it is a free trade tariff. Britain has a free trade tariff, but they collect by customs tariff on sugar, tobacco and tea, practical necessaries of life, from the ordinary working man; and I think my hon. friend, who called us a lot of evil names the other night when he was discussing free trade, will agree that the ordinary working man probably consumes and has to consume as much sugar as the millionaire; so that the duty in England, instead of being divided so as to place more duty on the rich man than on the poor man, bears equally on the poor and the rich.

Mr. EVANS: Will you tell us how much the customs tariff in Great Britain favours the manufacturer?

Mr. MANION: I am not saying that it favours the manufacturer. England is a free trade country and the fact that they do not favour the manufacturer is one of the reasons that to-day the manufacturers of England are finding it difficult to carry on their business because protectionist Germany, the United States and France are dumping their stuff into England. That is the reason the manufacturers are being put out of business. I do not understand why my hon. friend is putting these questions, because I am not questioning the statement that England is a free trade country, but I am saying that England under a free trade tariff is collecting more than the United States is collecting under a protectionist tariff, and I repeat that England is collecting £103,000,000 or over $500,000,000, say $515,000,000 if you like, on these practical necessaries of life. Let me tell my hon. friends where the advantage comes with a protective tariff, by saying that in countries with a protective tariff such as exists in the United States and in Canada, much higher tariff duties can be put upon luxuries such as high-priced automobiles, high-priced boots and shoes, imported wines, cigars and so forth than is the case in England. The English could do the same, but they do not. Therefore, in England, it is the workingman who is to a large extent paying these duties on sugar, tea and tobacco because he uses not only as much sugar as the millionaire, but probably as much tea as the millionaire, and if he does not use as expensive tobacco, he probably uses as much tobacco as the millionaire. I do not think it can be refuted that the workingman is harder hit under free trade in Great Britain on taxes than in Canada or in the United States under protection, and to a larger extent he is out of work than workmen in any other country in the world. I doubt if to-day there is in the world any other country that is in the difficult position that Great Britain is in under free trade. I have finished with that unless my hon. friends wish me to eleborate it further.

Mr. BROWN: The hon. member does not dispute the fact that these protective tariffs are taxes.

Mr. MANION: I admit that the tariff is sometimes a tax, but the Prime Minister makes it a general statement, threatening the people that if you raise the tariff in this country, you increase the taxes. I submit that you do not necessarily do anything of the kind. I am going to try to prove that further and I am sure my hon. friend will agree with me when I have done.

The tin-plate industry in the United States was something which I looked into some years ago. I referred to it in this House about five years ago and I looked up Hansard to refresh my memory as to the facts which

are these: In 1890 there was in the United States no tin-plate industry to amount to anything and they imported 680,000,000 pounds of tin-plate, mostly from Wales. They put a duty on tin-plate being imported into the United States from Wales, and in 1913, 23 years later, they were importing, instead of 680,000,000 pounds, just 28,000,000 pounds, or a very small proportion of what they had been importing 23 years previously. In manufactured plate they were in 1890 producing only 2,000,000 pounds in the United States. In 1913, 23 years later, after they imposed their tariff, they were producing 2,000,000,000 pounds, one thousand times the amount, and prices had gone down. In addition to prices going down, they had supplied thousands of workers in the United States with work in that industry and they had actually driven the tin-plate industry of Wales nearly altogether out of business and forced many of the tin-plate workers of Wales to come to the United States to reside.

I am not satisfied to stop at that; I am going to give my hon. friends some more proofs. In 1867, steel rails in the United States cost $150 a ton. There was a duty on them, but they were importing too many, they felt, and they raised the duty in 1867, because, if members will remember, the United States became highly protectionist, as it has remained ever since, about 1861. In 1872, five years after they raised the duty, steel rails, instead of costing them $150 a ton, cost $112. Where in that case was the tax that the Prime Minister states the tariff is? In 1876, four years after that, steel rails cost only $39 a ton, or about one-quarter of what they cost in 1867. In 1885, still under the same tariff, they were costing $27 a ton, at which price they practically remained until prior to the war. Of course, the price of steel rails has gone up since then because the war has disarranged prices, but prior to the war the cost of steel rails remained at about $27 a ton. From 1867, with a low tariff, to 1885, with a high tariff, the price of steel rails decreased from $150 to $27 a ton.

Mr. BROWN: Could the hon. member give the corresponding prices in other countries from which those rails might have been imported during that time?

Mr. MANION: I am sorry I cannot do that.

Mr. BROWN: Would that not be necessary in order to prove the hon. member's point?

Mr. MANION: It would be, perhaps, if I had been comparing prices in different countries. What I am proving is that a tariff is not necessarily a tax; that under a tariff you can lower prices down to one-quarter and even down to one-sixth in that period of time. Further, the greatest producer of steel rails in the world before the war was the United States and also the greatest producer of iron and steel. Not only is that true, but it is also true that Germany, the most highly protected country in Europe, had surpassed Great Britain in the production of iron and steel while Great Britain was producing under free trade. Germany had undersold Great Britain in prices and oversold her in amount in ten of the most important countries in Europe, so that Germany must have been producing her goods at a cheaper price or she could not have ousted Great Britain from ten enormous markets of the world. I could quote Mr. Keynes and various other authorities. I could easily prove my facts, but I do not wish to go into that at the present time. Not only is what I have stated the case; but Sir Gilbert Molesworth, a British economist, stated in a book which he wrote, that between 1861 and 1883, a period of twenty-two years, under protection in the United States, cotton and woollen prices decreased 25 per cent. He gives a list of 214 articles showing the same result under protection with the home market. In other words, under a tariff protection you keep your home market for your producers and prices go down by competition amongst the manufacturers. What is much more important is that you have work and wages for your people instead of driving them to highly protected countries. Large volume production, with plenty of work and wages, is much more important than cheap importation. Of what value are cheap goods if the people of our country have not any money with which to buy them, as is the condition to-day? Cheap importation, I will not deny, will make things cheap. If you wipe away the tariff altogether, many things will be cheap. I am not claiming that what I have said is universally true, that prices do not go up. Some prices do go up; but what is the use of cheap goods if the people are out of work because of killing industry and they cannot buy cheap goods. As I have said before in this House, the cheapest countries in the world are invariably the poorest countries in the world. India and China are the cheapest countries in the world to live in. You can hire a labourer in India or China for probably five, six or eight cents a day. According to the labour wage, which is a good criterion of a cheap or a dear country, they are the cheapest and the poorest countries in the world with regard to the people. It is not cheapness we want; we

want work and wages for our people to keep them at home in this country. How can you possibly get work and wages for your people and keep your industrial plants going if you allow importations from the cheapest countries in the world which have a low wage rate, because hon. members will remember that, in reply to a question put by me and also, I think, by the hon. member for Red Deer (Mr. Speakman), the Minister of Labour (Mr. Murdock) said that for all classes of labour wage rates in Europe were from one-half to one-fifth the wage rates in Canada. Therefore, with low wages, with low exchange, so that European money does not begin to be worth the amount of money ours is worth, and with lower standards of living than our people will put up with, how can you expect our workers to compete? They cannot compete under those circumstances and at the same time maintain their standard of living. Only under a system of protection is it possible to safeguard our labourers against the low labour costs, the low standards of living, and the low exchange of Europe, and of Asia too, when the countries in that part of the world have begun to produce on a large scale. And in that regard, it is evident that those countries are forging ahead rapidly, particularly Japan. Suppose some particularly brilliant genius arose, let us say, in China and began to exploit the three hundred or four hundred millions of people there, drawing upon them for labour and hiring them at a few cents a day: what chance would the working man in Canada have of surviving under such circumstances? Would my hon. friends still advocate free trade in Canada in that event?

Mr. LEWIS: What about the high cost of labour in the United States? Do we need protection from that ?

Mr. MANION: Yes, because of the fact that the factories in the United States produce on so large a scale. My hon. friend from Vancouver Centre (Mr. Stevens) gave a very apt illustration when he pointed out that in the case of a large population it is possible to manufacture more cheaply than we are able to do in this country, so that the goods produced can be dumped into Canada to the disadvantage of the local product. The hon. member gave an illustration with reference to Sparks street which I need not repeat. The fact, however, is that because in the United States they are able to manufacture on a large scale, and because they frequently have a surplus of goods which they do not know what to do with, they are able to interfere materially with our market here; rather than carry their goods to the following year they dump them here. You may get cheap goods for a little while until the home industry which produces that particular commodity is put out business, but once the Canadian business is destroyed you may depend upon it that the exporters in the United States will put up their price and the consumer here will be worse off than before.

Some hon. gentlemen to my left have described the tariff policy of the party led by my right hon. friend (Mr. Meighen) as being as high as Haman's gallows. This is absurd; our policy is nothing of the kind. The policy which this party advocates is a tariff sufficiently high to give our manufacturers and producers in various departments of industry a fair opportunity to compete with those of other countries. That is our policy, and nothing more than that. Let me go further. Speaking for myself—and I have no doubt that I express in this regard the views of my right hon. leader as well as of other hon. gentlemen on this side—I will say that the policy I advocate is qualified to this extent, that so soon as it is shown that any industry in this ountry is taking an unfair advantage of the tariff I am prepared to advise the taking off of the tariff on the products of that particular industry, no matter what it might be. And that is the advantage of a tariff commission such as is suggested by my hon. friend whose resolution regarding tariff is on the order paper.

A fact which has impressed me rather favourably this session is the marked extent to which hon. gentlemen to my left have avoided the advocacy of free trade. That I take it is due to the favourable condition in regard to wheat, which has increased in value to $2 a bushel. Personally, I hope that the price of wheat will stay up; I sincerely trust that it will remain at least $1.50 or $1.75, or even $2. I am anxious to see my friends in western Canada make a profit on their production, because living as I do at Fort William, which is tributary to the west, I naturally want to see that section of the Dominion prosperous. Indeed, Mr. Speaker, I am convinced, as I am sure every hon. gentleman must be, that unless every part of the country prospers, the Dominion of Canada as a whole cannot hope to advance. I repeat, therefore, the hope that the price of wheat will stay up; once it is established on a reasonably permanent basis of from $1.50 to $2, say, so that the farmers of western Canada may make a fair profit, I am sure that we shall have no more tariff agitation than we experienced in the west before the war. Why, in 1917 there was only one

man from the west who talked about the tariff —I refer to Dr. Michael Clark of Red Deer. His was the lone voice in the wilderness and he had practically no support in the House except possibly from my hon. friend for Marquette (Mr. Crerar), who occasionally came to his assistance. Generally speaking, Dr. Michael Clark was the only absolute free trader in the House; and my belief is that if we have a proper price for wheat from now on we shall hear less and less about the tariff question, which I believe will cease to agitate the minds of the people in the prairie provinces, who will come to see, what is an absolute fact, that the tariff has done them very little injury. As a matter of fact, has the tariff had any effect either in raising the price from $1 to $2 or in lowering it from $2 to $1? It has had no such effect; and, as I say, if the farmers of the west are assured a reasonable return for their wheat they will be inclined to take a correspondingly reasonable view of conditions in the east and be prepared to accept a fair tariff which will operate to the advantage of the whole country, benefitting not only the manufacturer in eastern Canada but as well the farmers who live in the vicinity of the manufacturing plants.

Mr. HUGHES: Suppose the policy my hon. friend advocates is nationally sound, and suppose we take it for granted that the manufacturers of Canada do not want to take advantage of the customs duties and raise their prices accordingly, would my hon. friend recommend that the excise duty be raised to about the same figure as the customs duty on similar articles?

Mr. MANION: I am not sure that I quite understand the question, but if you put a customs duty on goods coming in and put an excise duty on the same goods produced in the country, you simply have free trade. That is not protection.

Mr. HUGHES: You are protecting the home market.

Mr. MANION: No, not if you impose an excise tax. Now, I think I have submitted to any open-minded man in this House, or woman either, sufficient proof that the tariff is not necessarily a tax, as has been so generally expounded by the Prime Minister in his western tour and in this House.

When I began to discuss the tariff I was giving reasons for the present deplorable conditions that prevail in this country,—depressed business, unemployment, discontent, and discussions regarding secession, annexation and all that sort of thing. These are conditions such as have not existed in this country for many years. So far as I can remember, looking back over Canadian history, a similar state of affairs has not been seen in Canada since 1878. Between 1873 and 1878, such conditions did exist, but we have not had any recurrence of them from that time on. I submitted in explanation of the present situation two main reasons: first, the unstable tariff policy of this government which, as I believe, I have reasonably proved has been the means of strangling the business of the country and keeping the working men idle; and secondly, the unnecessary expenditures of this government, entailing an unnecessarily high taxation which is weighing as a heavy burden on the business men and as well, to a certain extent, on the labouring classes. My hon. friend opposite (Mr. Marler) yesterday made an excellent speech in which he sought to prove that the government was in no way to blame at all for the high taxation, inasmuch as, according to him, most of it was uncontrollable. He made a very fine defence of the government and tried to discharge it of all responsibility in this connection. And I think I am but drawing reasonable inference from his remarks. Now, after making the sweeping statement that the government has been expending money unnecessarily, I should certainly be open to criticism if I did not substantiate this generalization with a few particulars. I shall therefore cite six instances in proof of the statement that expenditures have been made which could have been avoided. Those few illustrations will, I think, suffice to show that I can back up what I have said. First of all there was an increase in the Auditor General's salary from $6,000 to $15,000 a year. For many years we had an Auditor General who was quite satisfactory and who was content to perform the duties of his office at a salary of $6,000 a year. This government, however, appointed an estimable gentleman, against whom let me assure the House I have absolutely nothing to say, a gentleman from Montreal, at $15,000, an increase of $9,000. This I say is an unnecessary increase, for as Mr. Fraser, his predecessor, was willing to perform the duties of the office at $6,000, I submit that it would not have been difficult to get a good man at $8,000 a year to fill the post. Then there was the trip to Wembley of the whips of the Liberal party and the Progressive party, covered by a vote of $20,000 passed last session. I do not believe that ever in the history of our country has a more disgraceful expenditure of public money been made. I do

not know any reason why a member of this House should get a trip to the Wembley exhibition at the cost of the taxpayers. I have said that on the stump, and I feel it is only fair that I should say it here.

Mr. ROSS (Simcoe): Did not the chief whip of the party to our right speak in favour of the vote at the time?

Mr. MANION: I am not sure that he did not support it; but he did not take the trip. I may tell my hon. friend further that every member of this section of the House, perhaps with his exception, voted against it; every member of my hon. friend's party, with the exception of six or seven, supported it, and all the members of the government so far as I remember.

Mr. MURDOCK: Do you hold the same view in regard to the trip which your hon. friend from St. John City (Mr. MacLaren) and one of your own party in the upper house with others made to South Africa?

Mr. MANION: That trip was not paid for by Canada; it was paid for by South Africa.

Mr. MURDOCK: Exactly.

Mr. MANION: I am discussing Canada, not South Africa. I can quite understand that my hon. friend and any other member of the government would wish to import South African affairs into this discussion to get away from the problems at home.

Mr. MacLAREN: As I have been referred to by the Minister of Labour (Mr. Murdock), I should like it cleared up whether it is correct that he stated that the Canadian government paid my expenses to South Africa.

Mr. MURDOCK: No, far from it. I never thought of such a thing. I have been told that the government of South Africa spent several hundred thousand dollars in entertaining you and other gentlemen from various parts of the Empire, and I wanted to know if the same principle would be held by my hon. friend from Fort William to apply to the South African expenditure.

Mr. MANION: My hon. friend will have to go and ask the people of South Africa. I have nothing to do with their expenditure. I am discussing Canadian affairs. We have quite enough to do to handle the problems of our country without meddling with the affairs of other parts of the Empire.

Mr. BIRD: Did I understand the hon. member to say that the Progressive party took a share in the responsibility of sending the whips to the Old Country?

Mr. MANION: They certainly voted for it, with a few exceptions.

Mr. BIRD: The members of the Progressive party stand exactly on the same ground as the party of the hon. gentleman with respect to that expenditure.

Mr. MANION: How many of the Progressive party voted against that expenditure?

An hon. MEMBER: A good many.

Mr. MANION: How many? Six or seven if my recollection serves me correctly.

An hon. MEMBER: No.

Mr. MANION: Say ten.

An hon. MEMBER: Two-thirds.

Mr. MANION: At least two-thirds voted against that expenditure? Well, I was in the House when the vote was taken, and I had the pleasure of voting against it. I am open to correction, and I most assuredly would not attempt to put my Progressive friends in a false light, for I am attacking the government, not the Progressive party, but my recollection is that all the members of the Progressive party voted for the expenditure with the exception of seven or eight. Let me test my recollection in this way: One of those who voted against the trip was the hon. member for Southeast Grey (Miss Macphail) if I remember correctly.

Mr. McBRIDE: If my memory serves me right, I was about the only one in this party that voted for it.

Mr. MANION: Well, my hon. friends show some symptoms of improvement in being ashamed of the expenditure, anyhow, which is more than I can say for anybody on the other side of the House. Then there was the purchase of the Union Club in London. Canada was, I think, quite satisfactorily carrying on—I have been over there a few times—with our quarters down on Victoria street, where Lord Strathcona and our other high commissioners held out for many years, and yet at this time of financial stress, when the country is labouring under these terrible burdens of taxation, the government, through the high commissioner Mr. Larkin, purchases the Union Club in Trafalgar Square at a cost of over a million dollars—an absolutely unnecessary expenditure of the people's money. Then there were these very fine advertisements which my hon. friend the Minister of Trade and Commerce (Mr. Low) has been spreading around from end to end of the Dominion. They are advertisements for the

Liberal party—I have not noticed anything in them for the benefit of the Progressive party—and the people of Canada have been paying for them. I think the Liberal party ought at least to pay the expense of their campaign literature. Then the government have appointed from time to time various commissions, I do not know how many, at a cost of over a million dollars. I admit that a few of these commissions may have been justified, but at least half of the expense could have been saved if the government had taken its courage in both hands and decided for itself. Then there was the expenditure on public works—little piers here, little docks there, a little dredging down around Belle river—various expenditures of that kind. I do not blame the hon. member for North Essex (Mr. Healy) for getting the money spent in his constituency, but I certainly think the government should put its foot down upon such expenditures. I go further, I declare that if our party comes back to power at the next election, as I am thoroughly convinced it will—

Some hon. MEMBERS: Oh, oh.

An hon. MEMBER: You are an optimist!

Mr. MANION: They were calling me a pessimist this afternoon! If our party comes back to power at the next election, as I fully believe it will, one of the things it will have to take in hand will be the cutting down of these unnecessary expenditures on public works until Canada begins to get back on her feet again.

Mr. VIEN: Is not my hon. friend hurting the hon. member for Vancouver Centre?

Mr. STEVENS: Not a bit.

Mr. MANION: I will allow the hon. member for Vancouver Centre to take care of himself—he did so pretty well the other day when he was interrupted. I am speaking for myself. I do not think the government appreciate the fact that the country will absolutely drift on the rocks of despair if they continue their present course.

What do we get from the government in its Speech from the Throne as a cure for these conditions? We get a group of pious political platitudes and useless generalities. Let me give some instances. In addition to the statement which the Prime Minister put into the mouth of His Excellency, and which I quoted this afternoon, that the cost of living is the important problem for Canada, we find also this passage:

[Mr. Manion.]

It is apparent that even the most rigid economy in public expenditures will not suffice to solve this pressing problem.

I do not know how they can pass that very dogmatic opinion upon the question, for they have never yet tried to economize. That is the first misstatement. We are told in the Speech that the only solution lies largely in increased production and the development of wider markets. Then His Excellency talks of uncontrollable expenditure which is pressing upon the people of Canada, but the government does not get within a hundred yards of the controllable expenditure,—does not make any promise to cut down controllable expenditure in the matters I have suggested. Next, immigration is dealt with, and we are left to infer that this has reference to the Peace river territory. But what is the use of bringing in immigrants when you are driving out Canadians faster than you can fill their places with newcomers? The equalization of freight rates is then discussed and ocean transportation, and we are informed that money is to be spent upon the St. Lawrence river and the Pacific and Atlantic coast ports. We are also told that a treaty will be introduced into the House to prevent the continuance of the opium and narcotic drug traffic in this country. And that made me reflect that if the Prime Minister expects to remain as leader of this country much longer he will have to relax, not tighten up, the legislation against the importation of opium and narcotic drugs, because we will need some tons of these materials if we are to put the people of this country in the proper somnolent condition to go on believing the pipe dreams that he has been handing out to them for a long time. Finally, the pièce de résistance, if I may be pardoned for speaking in the language of my hon. friends from the province of Quebec—

Mr. FOURNIER: That is fine.

Mr. MANION: I am always pleased to speak in the language of my very good friend from Bellechasse (Mr. Fournier). Now, the Prime Minister says—and this is the pièce de résistance:

You will be asked to sanction the calling of a conference between the federal and provincial governments to consider the advisability of amending the British North America Act with respect to the constitution and powers of the Senate and in other important particulars.

Well, when I remember the fire and brimstone and the sulphuric speeches of the Prime Minister in the prairie provinces, in which he gave the impression that he was going to come down here and tear the Senate from

limb to limb, I cannot help thinking he must have been impressed when he was going through that part of the country with some of the tales he had read in his youth of the wild and woolly western people, and he must have come to the conclusion that their diet out there was raw meat and moonshine whiskey. But when he comes back to the east he is probably posted by some of his friends in the matter and told that there are sections of the eastern country where at least the abolition of the Senate is not quite so popular as it is in some other sections; so he comes forward with this milk and water proposal with regard to a conference to deal with the question.

May I just interject here that since we of the House of Commons have taken the holier-than-thou attitude and propose that a conference be called to deal with Senate reform, perhaps at the same time the Senate might suggest that a conference be called to deal with House of Commons reform. While I do not by any means suggest that we cannot usefully reform the Senate, I think by that method at least both the Senate and the House would be mutually improved, to the ultimate benefit of the whole country.

But, where is there in the Speech from the Throne any practical solution offered for the conditions which exist in Canada to-day? Where is there a suggestion made for the relief of business depression, for the supplying of work to the unemployed? Where is there a suggestion to arrest the exodus of the tens of thousands of people who are going from Canada to the United States, or to lessen the taxation which presses so heavily upon the people of this country? Where is there any suggestion even of an idea that retrenchment is required in the expenditure of Canada? Where is there a suggestion of any doctrine to bring back stability to the industry of this country? To every one of these queries, Mr. Speaker, echo answers, where? The government, so far as I can see, has no policy which will bring about any of these things. The only purpose of this government is to keep in power, and they have raised that purpose to the level of a principle.

I am going to close by suggesting three methods of assisting to relieve the conditions which exist in Canada at this time. The first is—and I am not offering it in any spirit of criticism of the government—that we should have in this country to-day a greater spirit of national unity, a greater desire to build up a real national feeling as a result of which the people will be satisfied not only to live in Canada during the sunshine of prosperity, but to remain in Canada during the storm and stress of adversity. It should be a spirit whereby each section of the country, west as much as east and east as much as west, will be more willing than they have been in the past to make some sacrifices for the good of the whole. It should mean the inspiring of the youth of Canada with a real patriotism, not that false patriotism which the Prime Minister spoke of the other day in which he proposed to hide the facts instead of facing them. I do not think there ever was a time when a spirit of unity was more needed in this country, when it was more desirable that we should wipe out all antagonisms of race and creed, all antagonisms as between east and west, and cultivate a spirit which will inspire that patriotism I speak of in the hearts of the sons of us of the House of Commons and of the people of this country generally, making them desire to remain in Canada, even at the cost of some material sacrifice, rather than expatriate themselves and become Americans, probably never to return to the land of their birth. That is the first—national unity. The need for that, I say, I do not lay against the government; I do not wish to charge them with any objection to that policy.

The second thing that we require to relieve the burden of our country is national economy and retrenchment, a real desire on the part of whatever government is in power to reduce its expenditure, to wipe out some of our terrible taxation and to try to copy the systems of the United States, Great Britain and other countries which are cutting down their national debt. And as I say, one of the most necessary things is to wipe out, if they can, some of the appalling taxes which are depressing the people as a whole, and doing an injury to our country the immensity of which the present government shows no signs of appreciating.

And, third, we require a stable national policy of protection for all classes of the people, a policy which will bring about stability of business, will provide Canadian markets for the Canadian people, will give work to those who are unemployed and not force them to go to the United States. In closing may I say, Sir, that these three suggestions may well constitute an appropriate slogan for any party in this country if it desires to bring about Canada's success and prosperity—national unity, national economy, and the national policy.

Mr. J. F. WHITE (London): Mr. Speaker, the Speech from the Throne is supposed to embody the conception of the government as

to the needs of the country for the coming year. The most important problem which faces the people of Canada to-day is the cost of living, a subject which is referred to in the Speech from the Throne, and referred to in a rather hopeless way. The government states that the most rigid economy that it can exercise will not suffice to solve the problem. The relief which that will afford to the people generally, who are deeply concerned about this question, is not very great, and relief in the matter of taxation is a very necessary thing in Canada at this time. I have never known a time when so much objection was voiced to the extent of the taxation imposed upon the people. Like the hon. member who has just spoken (Mr. Manion) I have met many people on the street who have protested strongly against the taxation to which they are subjected. People have even telephoned me at my house and protested in the same way. Not only is the burden of taxation objected to by the rank and file of the people, but men who are in high positions are giving a great deal of thought to the matter and are expressing opinions along the same line. The views of these men of attainment who occupy commanding positions, should be deserving of attention.

Mention was made during the progress of the debate that the presidents of various banks had expressed their confidence in the future of Canada; that they were hopeful of the future. But at the same time they issued a strong warning as to the direction in which Canada was headed on account of high taxation. A great deal of attention was devoted to the subject by the president of the Bank of Commerce, Sir John Aird, in his annual address. After going into it thoroughly, he said:

> Undoubtedly we shall suffer by the handicap of the higher level of income in this country as compared with the United States since the reductions recently made in that country.

Sir Herbert Holt President of the Royal Bank also had a good deal to say with regard to taxation and tariff stability. He said with regard to the income tax:

> Let me emphasize here that it is not the wealthy who are the greatest sufferers from high surtaxes, but the rank and file of the people, who find it difficult to secure employment when industry is stagnating, and those who should be investing their money in new enterprises find no incentive to do so. Such a situation can only end in capital leaving Canada to find employment in the United States and elsewhere.

Mr. J. W. Hamilton, general manager of the Union Bank, said in his address:

> Taxation in this country has reached the point of oppression. It has become more than a problem; it is a menace.

Mr. W. R. Allan, president of the same bank, said:

> Taxation in Canada requires anxious thought. Federal and municipal taxes with in some cases provincial additions have become so onerous as to stifle business and discourage effort.

Mr. Speaker, similar warnings were given in many speeches in this House last session, but in spite of that the government pursued a course which aggravated the situation. The result is that not only has the revenue declined very seriously, but the public debt has gone up, and the remedy now proposed by the government is increased production and the development of new and wider markets.

First, as to the necessity of increased production, I am in absolute agreement. It is only by increased production, by mass production, that the costs of manufacturing can be reduced.

As to wider markets, that also is very desirable. The government, however, should not forget that we have the old and reliable market, the home market right here. It is not being supplied by Canadian people, and it should have more attention. We have been abandoning policies which retained in large measure the Canadian market for the Canadian people, and substituting therefor a policy which has given a great deal of our market over to the workmen of other countries. Our Department of Immigration states that the regulations are being enforced very rigidly. No immigrant can come into this country except under agreement to take up domestic service or to work in agriculture. No shop workman, no tradesman is allowed in; he is kept out absolutely, and yet when the product of the labour of that tradesman who is refused admittance comes and knocks at the door of Canada for admittance, what does the government do? It welcomes it by lowering its tariff, and it welcomes it by its neglect to provide this country with a reasonable protection against the depreciated currency and the lower standard of living of these other countries.

The Speech refers to a reduction made in the cost of production of raw materials and the necessaries of life by two measures passed last session. One of these is the reduction in the sales tax, but inasmuch as the government in 1923 increased the sales tax by 100 per cent, and subsequently reduced it from six to five per cent, I suppose they are entitled to all the glory they can extract out of the achievement.

The other factor that is mentioned as having reduced the cost of production is the reduction that was made in the tariff last session. This I suppose refers principally to the changes in the tariff on agricultural implements. I propose to consider that from three angles: first, from the standpoint of the consumer, second from the standpoint of the manufacturer of implements, and third from the standpoint of the manufacturer of the materials that go into the implements.

There has been some controversy over the result of the reductions in the tariff. The right hon. leader of the opposition has maintained that the government has not reduced prices on agricultural implements; the Prime Minister claims that the prices
9 p.m. have been reduced, and quotes figures comparing the last two years only. I support the leader of the opposition in his contention that this government has not reduced the price of agricultural implements. I will go further than that and make this assertion, that on many of the different implements in use on the farm to-day the prices are higher than when this government assumed office. My authority for that statement is found in the retail price lists of implements that have been issued from time to time from December, 1921 to December last by the International Harvester Company, copies of which I have here. The prices I am going to quote are the retail prices to the consumer f.o.b. Hamilton, London and Ottawa. The prices are given in every case as for two October payments These prices include the sales tax in every case where sales tax was applicable. The sales tax on these goods in December, 1921, when this government assumed office was three per cent; that was raised in the session of 1923 to six per cent, and cancelled entirely in April, 1924. There were five distinct price lists issued and used since December, 1921, down to the present day, namely one issued December 1, 1921, and the others on February 1, 1923, November 1, 1923, April 11, 1924, at the time of the announcement of the budget last year, and the last one on December 1, 1924. I have prepared a table showing the prices charged at the various dates on eight different machines, confining myself principally to the list used by the Prime Minister on Monday of this week. I have compared the prices on wagons also, and in fairness must say that the price of wagons is somewhat lower than in 1921, ranging from one to eight dollars less, depending upon the type of wagon. For the sake of brevity and clearness I shall only quote the prices in December, 1921, and those ruling to-day, and I would ask that the whole table be inserted in the record.

A seven-foot binder with no attachments, in 1921 cost $235; the price to the farmer to-day is $237. A sales tax of 3 per cent existed in 1921, and does not exist now.

A five-foot heavy mower in 1921 cost $96 50; to-day it is the same price.

A ten-foot rake with thirty-two teeth, in 1921 cost $52; to-day $54.

A single disc drill with thirteen discs, two and three horse, in 1921 cost $147; to-day $157.

A six-foot, twelve-teeth, three horse cultivator, in 1921 cost $79; to-day, $82.

A sixteen-teeth, spring tooth harrow, with teeth one and a quarter inches wide, in 1921 cost $16,50; to-day $18.

A walking plough, No. 121, in 1921 cost $23.50; to-day $23.50.

A disc harrow, out-throw twelve discs, in 1921 cost $58; to-day $62.

COMPARISON OF PRICES OF CERTAIN AGRICULTURAL IMPLEMENTS IN ONTARIO AT VARIOUS TIMES—INTERNATIONAL HARVESTER COMPANY

Number and date of issuance of price list	7-ft. binder, no attachments	5-ft. heavy mower	10-ft rake, 32 tooth	Single disc drill, 13 discs, 2 and 3 horse	6-ft. 12-tooth 3-horse cultivator	16 tooth spring tooth 1¼ tooth	Walking plow No. 121	Disc harrow out-throw 12-disc	Sales Tax at various times
	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	
Dec. 1, 1921—List No. 22..	235 00	96 50	52 00	147 00	79 00	16 50	23 50	58 00	3% sales tax.
Feb. 21, 1923—List No 23..	243 00	99 00	53 00	153 00	84 00	18 00	24 50	64 00	4½% sales tax.
Nov. 1, 1923—List No. 24..	264 00	106 50	58 00	166 50	91 50	20 00	26 50	68 00	6% sales tax.
April 11, 1924—When Budget announced discontinuance of Sales Tax—List 2.*.....	251 00	101 50	55 00	158 00	86 00	19 25	25 25	65 00	Sales tax discontinued.
Dec. 1, 1924—List No. 25..	237 00	96 50	54 00	157 00	82 00	18 00	23 50	62 00	Sales tax discontinued.
Compared with Dec. 1921..	$2 higher	Same	$2 higher	$10 higher	$3 higher	$1.50 higher	Same	$4 higher	

*All prices include Sales Tax 3% until Session 1923, 6% thereafter until April 1924.

These figures, Mr. Speaker, should throw some light on the controversy. The price lists I have here contain a diversified list of machinery, and cover many different types, but I have taken one machine and carried the price through on that same machine in making my comparison. It may be found in these price lists that the prices are in some cases lower than in 1921, but I submit that the prices of the great majority of the machines used by the farmer to-day are higher than they were in 1921.

Now let us consider the question from the standpoint of the manufacturer of implements. The prices I have just quoted were the prices the farmer paid, and included a three per cent sales tax which was collected in 1921. This sales tax was paid by the maker of the implement into the exchequer of Canada.

When this reduction was made; the price the manufacturer really received for the binder referred to was, in 1921, $227.95, while he now receives for the same machine $237, which gives him to-day a price actually $9.05 higher than he charged in 1921.

For the mower he receives $2.90 more than in 1921: for the rake he receives $3.56 more than in 1921; for the disc drill he receives $14.41 more than in 1921; for the cultivator he receives $5.37 more than in 1921; for the spring tooth harrow he receives $2 more than in 1921; for the plough he receives 70 cents more than in 1921; for the disc harrow he receives $5.74 more than in 1921.

These advances in price figured out, make the price received by the manufacturer to-day about 5 per cent higher than the prices charged the farmer in 1921. In the meantime, the government by its 1924 budget reduced the duties on raw material to the manufacturer of implements.

Pig iron was put on the free list; previously, being subject to 99 per cent drawback of duty. Rolled iron and steel bars were put on the free list, being a reduction of duty of 21 cents per 100 pounds. All other materials entering into the machinery, a list of which comprising some 140 different articles was placed on Hansard by the Acting Minister of Finance on May 23, 1924, were also reduced. This long list was formerly subject to varying duties on all but averaged about 20 per cent. The duty was reduced to 6 per cent thereby making a saving to the agricultural implement manufacturer of about 14 per cent.

No wonder the manufacturer of implements, as he reviews his position of three and a half years ago and contemplates the enhanced price of his product and the cheaper price of raw materials, can say with a smile that the tariff changes of 1924, "didn't hurt us at all."

Now let us go one step farther back in the process of manufacturing and consider the effect on the business of the makers of the raw material for the manufacture of agricultural implements.

I find by the Trade and Commerce report issued in November, 1924, that items in the miscellaneous list of materials reduced to 6 per cent duty have been coming into Canada from the United States since April last at the rate of about $1,000,000 per year—manufacturing business lost to the workmen and manufacturers of this country.

Pig iron used in this business has been coming in at the rate of 32,000 tons per year; this is also business lost to the workmen and manufacturers of this country. Iron and steel bars, on two items only, No. 445 and No. 446 of the tariff—which was all I could identify in the report—are coming in at the rate of 13,000 tons per year, the manufacture of which is also lost to this country.

Nor is that the true measure of the harm that has been done to the iron and steel industry of Canada, as many manufacturers, unable to get enough business to keep going and anxious to keep working organizations together, are taking a portion of such business at a loss.

The Prime Minister in his address referred to the iron and steel business of Canada and sought to give the impression that Canada had not suffered in 1924 as had the United States.

Everyone knows that in 1924 the United States was in the throes of a presidential election. The experience of that country is that presidential election year is rarely a good business year, and owing to the peculiar circumstances existent during last election, there was an unusual amount of uncertainty in the minds of the people and, as a consequence, business was halting. Business had been good until April of that year. In fact, the pig iron output—which is regarded as a very good barometer of business—was in April of 1924, within a comparatively small amount of the highest monthly record of the last five years. This pig iron output gradually declined during the progress of the election campaign, but; when the election—with its reassuring results—was over the business activity revived at once. The iron and steel trade recovered quickly and is now producing at 80 to 90 per cent and in some cases 100 per cent of its capacity.

The Prime Minister also quotes the Iron Age, a trade journal published in New York, as an authority. I accept his authority. the Iron Age is generally regarded as a fair and accurate mirror of conditions in the iron and steel industry.

He made some quotations from an issue of January 1925. I would like to make reference to, and quote from, an article which appeared in the columns of the Iron Age in the last issue of last month, with particular reference to Canada.

The Iron Age commissioned one of its correspondents to make special inquiries as to the results of the tariff of 1924 as it affected Canadian iron and steel industries. The report was published in the issue of January 29, 1925. It is headed; "Tariff reductions have disastrous effects"; "Canadian industries depressed and production greatly reduced".

The iron and steel industry is one of the most important factors in Canada's national life. According to the latest returns available there were in 1922, 1,046 firms engaged in the manufacture of iron and steel products in this country.

In 1922, 75,434 wage-earners were employed in the steel industry of this country; the amount of capital employed was $526,109,953.

Following the close of the Great War, the iron and steel industry of Canada has been waging an uphill fight to keep its head above water. In addition to the general depression in the markets of the world, the Canadian industry had to contend with steadily decreasing tariff protection, with the result that the number of plants engaged in this industry have been steadily decreasing for the past three or four years. Reliable reports indicate that 30 plants engaged in the iron and steel industry failed in the year 1921; 77 in 1922 and 83 in 1923. While figures for 1924 are not available at the moment, it is estimated that the number of firms to cease operation during the past twelve months will equal if not exceed those which closed down during the previous year.

The monthly reports of the Dominion government indicate that in 1923 the iron and steel industry experienced a partial recovery from the depression of the two previous years, but that a marked decline took place at the beginning of 1924, followed by an upward trend during the first quarter, when a further decline took place, following the announcement of the Robb budget with its drastic tariff reductions on April 11.

Data on the comparative number of workers engaged in the iron and steel industry indicate that only 48 per cent of the normal working force is employed at the present time. Presenting the antithesis of this, there exists in this particular branch of Canadian industry unemployment to the extent of 52 per cent of workers who could be given employment under normal conditions. The returns show iron and steel plants to be working only 74.4 per cent of normal or full time, with the 48 per cent of working force referred to above. This in effect means that workers now employed are, on an average, losing 25.6 per cent of their working time and the corresponding earnings, due to short time operations, which in itself adds appreciably to the extent of actual existing unemployment. A majority of firms engaged in this industry are operating on reduced schedules, in many cases at a loss, merely as an alternative to closing down and adding further to the volume of unemployment.

Data as to the additional number of workers who could be engaged, if conditions should warrant an immediate return to normal operations, indicate that on a very conservative estimate 51,000 additional workers could be given employment. As a consequence of the unemployment situation brought about by depression in industry chiefly resulting from the lack of adequate tariff protection, it is estimated that upward of 400,000 workers emigrated to the United States during the past four years to seek employment in the protected industries of that country. While the loss of Canadian workmen through emigration during the years 1921, 1922 and 1923 was a serious blow to this country's population, the number of workmen who left this country in 1924, following the depression caused by the Robb tariff changes, was considerably greater than for any corresponding period during the past four years, being estimated at between 13,000 and 14,000 per month.

While it is recognized that the depression in the iron and steel industry is not entirely attributable to lack of tariff protection, it is certain that conditions now existing definitely reflect the adverse influence of tariff reductions made effective early last year, and point clearly to the conclusion that proper and adequate protection would contribute largely to a revival of business and a renewal of productive activity. Complete information as to the number of plants closed down as a result of tariff reductions would require considerable time and investigation to secure. It is reported, however, that nine plants have closed down as a direct result of the tariff reductions and in other cases these reductions contributed largely to discontinuance of operations. The gas tractor industry might be cited as an illustration of inadequate tariff protection. Considerable investment was made in former years in plant and equipment for the manufacture of gas tractors. The tariff on these was removed during the war period and was never restored in spite of promises that this would be done. Foreign competition on a free basis forced the closing down of Canadian plants, or their diversion to other lines, and the great volume of the Canadian tractor business has gone to the United States.

There is a further report as to the reduction of production and a statement as to the reduction in the tariff in 1924, followed by these remarks:

Not only has the volume of business in the agricultural implement manufacturing industry been definitely curtailed as a result of these tariff reductions, but prospects for improvement have been seriously affected by reason of the widespread uncertainty and lack of confidence which the possibility of further reductions has engendered in the minds of financial men, individual investors and manufacturers generally regarding the stability of factors which control industrial operations.

The report is a long one and takes up many other phases of the situation. It refers to the effect of putting pig iron on the free list. I have referred to that in my earlier remarks. It gives a table of production of pig iron in Canada during 1923 and 1924, showing that during the eight months which succeeded the bringing down of the budget of 1924, the decline in the production of pig iron in Canada was 52 per cent. The production for last year was the lowest on record since 1908 with the single exception of 1923. The report states further:

Within the past few months, European interests have been making strong bids to secure a footing in this market. Especially is this the case with regard to Belgian concerns, whose production costs are considerably below those of Canadian mills and are able to undersell the latter in their own market.

Then follows a table, showing the production of steel ingots and castings in Canada during 1924, the results being practically the same as those in connection with the production of pig iron. The report concludes by stating:

In a speech delivered in Toronto on January 12, Hon. W. L. Mackenzie King, Prime Minister of Canada, stated that, for the time at least, the Liberal government is through with tariff reductions, and there will be no more tinkering with the existing schedule of customs charges until there has been an opportunity to see how the present arrangement works out. Despite the foregoing statement Canadian steel interests are not ready to announce future plans, but are waiting to see what steps will be taken by the government with regard to tariff changes when the budget for 1925 is brought down.

That is from the authority quoted by the Prime Minister and accepted by him. I have another statement in regard to the export business in iron and steel in the United States during 1923-1924, which shows that in 1923 Canada consumed 39 per cent of the total export business of that country and in 1924 she consumed 31 per cent, the next highest being Japan with 16 per cent. It also adds that Canada, which was the largest individual foreign market for United States iron and steel in the 1923 period, "maintained its commanding position in the 1924 period." The report I have just read contains statements as to the lack of continuity in employment in this industry in many concerns, giving names, and I communicated with one concern which, in June 1924, wrote me that their production had been affected to the extent of 65 per cent by the tariff changes of last year. I have this wire in reply to my inquiry:

Hamilton.

Replying wire there has been no improvement our business situation since advising you last June. Cannot ourselves look for any decided improvement under present tariff conditions. Same restricted business operation continues as result budget changes explained in our letter June 24, 1924. Mill operations from July 1st to January 31st only 23 per cent of the possible. Mill closed down since February 1st. Outlook immediate future not good. Unemployment situation most serious.

That, Mr. Speaker, is the situation in which the iron and steel industry of Canada finds itself to-day, and it is anything but a healthy condition. The customs duty is specific, so much per ton, no matter what the price may be. On rolled products, the duty which used to be about nine to twelve dollars per ton was placed at seven dollars per ton in 1907. It has remained the same when the commodity was selling at one dollar per hundred pounds as when the price was three times that amount. Gradually the duty has been lowered by means of drawbacks until the description which I have just read from the Iron Age of the condition of the industry is a very accurate one.

I said last year, in speaking on the budget, that I believed that as regards the implement industry, only the manufacturers themselves could make an accurate forecast as to how these changes would work out, because they only knew all the intricate details of their business. I also said that in my judgment the iron and steel industry was called upon to make the greatest sacrifice. I also said that the whole situation in relation to the industry should be subject to an exhaustive survey and intelligent treatment if the industry was to be retained in Canada I showed that, as regards the iron and steel used in the implement industry, Canadian manufacturers were deprived of all tariff protection while they were subjected to customs levies on their fuel, to customs levies and sales tax on their machinery and supplies of all kinds. Events that have occurred since last session have been a confirmation of my statements. Truly, as the Iron Age states, Canada "is in a commanding position," a position of prominence, of eminence—yes, eminently foolish in my judgment when, with all her natural resources of millions of tons of coal and millions of tons of iron ore, she welcomes from the nation which produces 55 per cent of all the iron and steel produced in the whole world, one-third of the export business in iron and steel which that country does. If the government last year had even left the tariff as it was, and in its opulence, due to the surplus then claimed, had reduced the sales tax still further; or if it had made provision for competition with the United States in the reduction of its income tax levy, then Canada, and particularly the iron and steel business, would be in a better position to-day. I am not now referring to the detrimental influence which this has had on the National Railways or on general business. According to the press, many requests have been made of the government recently for increases in the tariff. Not long ago the coal and steel interests of Nova Scotia were reported as having interviewed the government; and they were supported, I understand, by most of the members from that province. These hon. gentlemen supported the government last year in helping to destroy an industry, and in a few short months they come back asking that their mistake be corrected. The boot and shoe workers have also demanded recognition of their claims for consideration. Nor is the

demand all from the industries. During the life of this parliament the onion growers of Essex, the tobacco growers of Kent, the sheep breeders of western Ontario, the Niagara Peninsula Fruit Growers' Association, the United Farmers of Quebec, only a few days ago, and no doubt others, are all on record as to their desire to keep Canadian markets for the Canadian people. In spite of all this expressed public opinion there are some in the government who say that they are determined to persevere until the famous 1919 declaration becomes a reality. The Prime Minister declares that for the time at least nothing more will be done; but this is not reassuring to business. There is no stability, and business men are afraid to invest. I should like to know why the government does not proceed to carry out its entire programme. There were other fields to be entered: the principal articles of food, lumber, oils, gasoline and cement were all to go on the free list; they have not been interfered with and the government has been in office four years. The substantial reductions that were to have been made in wearing apparel and footwear have not yet become evident. I might suggest also automobiles and furniture; but of course if the government were to tamper with automobiles they might lose the support of the hon. member for South Ontario (Mr. Clifford) or possibly the support of the hon. member for North Essex (Mr. Healy), while if they touched furniture they might suffer the loss of the support of the hon. member for North Bruce (Mr. Malcolm). Only this week the leader of the Progressive party (Mr. Forke) has pledged the support of his followers, to the last man, to the government if they will carry out the 1919 platform. The hon. gentleman might, however, keep his eye on the member for South Waterloo (Mr. Elliott). If the government has any faith in its platform it should give it effect; if it has lost faith in its doctrine it should retrace its steps and try some other plan.

Reference is made in the Speech from the Throne as to the constitution and powers of the Senate. Like many a new member, I had hopes of a few reforms in the Senate, myself. When I read in the press the declarations of the Prime Minister in many speeches, during the recess, I had hopes that he had a panacea for all the ills brought about by the Senate, and I expected from the tone of the speeches it would be handled as some express it, in two-fisted, he-man fashion. But when I found the programme had taken the form of a mild request to parliament to sanction the calling of a conference on the subject, my hopes vanished. Why ask the sanction of parliament for the calling of a conference? If the Prime Minister was deeply in earnest on this subject, why did he not call a conference during the recess and bring the results to this House in the form of a government measure? Action could then have been taken at this session.

Without the consent of parliament, the government has called other conferences. There was a conference on the natural resources question which was to be settled, instanter. There was a conference on taxation, which would be productive of a lessening of the burdens of the people. There was a conference on unemployment, which resulted in the advice to everybody to employ more workmen, but nothing further. If this proposed conference on Senate matters is not productive of more tangible results than those I have mentioned, the members of the Senate may rest at ease in Zion for some time to come.

In closing, I wish to say that a careless House of Commons which lets legislation go through without due consideration, or a politically careful House of Commons which lets legislation go through rather than offend some of the electorate, will have to assume responsibility in direct proportion as the powers of the Senate are curtailed. Is the House of Commons ready to accept the responsibility and discharge that responsibility in the interests of good government?

Mr. A. E. ROSS (Kingston): Kindly permit me, Mr. Speaker, to express my regret that the genial leader of the Progressive party has seen fit to take a retrograde step in his decision to oppose an ancient custom of the British race, that of free and unrestricted speech. I want to remind the hon. gentleman on this occasion that opportunities to discuss matters that arise in the Speech from the Throne are not always available. I would call his attention to the fact that last session many matters of interest would have failed to receive adequate discussion in this House had it not been for the insistence of another leader of the Progressive party that sufficient consideration should be afforded—I refer to the hon. member for Bow River (Mr. Garland). We must at this time take issue with those who seek to restrict discussion of the Speech from the Throne; otherwise we disclaim our responsibility as individuals in this parliament to study, to advocate or to support statements when they have been made. And once that phase of routine passes, then, as we saw this afternoon, it is very difficult to revive it. Consequently as an individual member of the

House I am willing to take whatever criticism comes to me concerning the detention of the House while I undertake to express my views touching the Speech.

We must after some study in the House concur in the opinion that there are two parties and but two parties here. There is a party that sings prosperity and there is a party that doubts it. There is a party that has a policy and there is a party that has none. There is a party that had a policy but has not now, and there is the other party that has a policy of stability. There is the party also which, no matter what policy it may adopt, will be certainly followed by the other party even if it comes to a question of agreement by silence. Therefore, when there is dissatisfaction with statements that have been made in the House, no member has a right to sit silent. The Speech from the Throne has been defended wholly by the Prime Minister, consequently our differences of opinion will be largely with him. His speech was filled with tables, graphs and indices. In my school days I always regarded with amazement the student who could go to the blackboard and prove: Cosign 1 equals cosign 2 plus X over Y minus Y over Z. Such a problem we have had exhibited to us by the Prime Minister, but the mystification will not deceive the country.

He states emphatically that our people are returning from the United States. Why? Because, he says, Canada is more prosperous than the United States. I have interviewed some of our men who have returned, and I find the principal reason for their doing so is that most of them had not legally transferred themselves. As the House is aware, at the present time this transfer necessitates the completion of several papers at a considerable expense. Many of our workers, unfortunately, have not had the requisite funds, and have crossed illegally, and after some length of time they have been forced to return. That period may run to six months and over, because very often they are given the privilege of securing the necessary papers from Canada. Another class of worker who has returned is the physically unfit. Many of the factories across the line are ready enough to retain our physically fit men, but they object to the physically unfit.

It is impossible to maintain the position that there is no exodus at the present time from the Dominion to the United States. I have a clipping from the Kingston Standard in reference to this migration, in the course of which it is stated:

[Mr. A. E. Ross.]

It is learned from an authentic though unofficial source that the exodus of Canadians from this Dominion to the United States in search of continuous employment has by no means ceased. In this city three or four Canadians apply every day for passports and other documents necessary for them to cross the boundary line, while in Toronto the records of the United States consul are reported as showing that 25 Canadians leave that city daily to take up permanent residence in the country to the south. In addition to the general exodus amongst bona fide Canadians, it is understood that Britishers, that is, English, Scotch and Irish, who do not come under the category of Canadians, are just as anxious as the real Johnny Canucks to leave the country of their adoption. The quota for Britishers is complete, but this does not deter many of them from applying for passports to cross the boundary, and it is interesting to note that there is at present a waiting list of such applicants which is sufficient to fill the quota from Kingston until November, 1925, while in Toronto the waiting list is so big that the quota is easily filled for the next ten years to come.

Mr. MURDOCK: What is the date please?

Mr. ROSS (Kingston): This month—February. Another sign of prosperity relied on by the Prime Minister was the opinion expressed by bank managers at the annual meetings of their shareholders. The hon. member for Centre Winnipeg (Mr. Woodsworth) stated that the Prime Minister quoted what suited him from such statements, and I agree with the hon. member. The House will pardon me if I repeat what the hon. member for Centre Winnipeg quoted. Sir Vincent Meredith of the Bank of Montreal said:

The figures of foreign trade are encouraging. We have been able to reach this large amount chiefly because of the enormous western grain crop in 1923. The other outstanding item in respect of exports is forest products.

These two things are taken up in the trade reports.

But the general manager of this same bank reports as follows:

Business is quiet. A stronger definition might be used without exaggeration.

Then we have the rather interesting words of Sir Herbert Holt, president of the Royal Bank. I will quote only these few lines:

At our last three annual meetings while expressing faith in the utimate future of Canada, I have on each occasion to chronicle a year of slow business.

These bank managers do not at all agree with the Prime Minister. He sees another sign of prosperity in the blowing of factory whistles—a sufficient proof to him that industry is very satisfactory. Well, one of our largest industries in Kingston blows its whistle every day, but out of an ordinary payroll of between five and six hundred men only fifty are employed. And that is the state of affairs at a time when engines are being manufactured in the United States for our Canadian railways, paid for by Canadian money, and giving employment to workmen in that country.

The whole speech of the Prime Minister can be answered by a single word,—why. If this country is prosperous, why do people leave? If this country is more prosperous than the United States, why are our people crowding the American Consul's offices to be transferred across the boundary? If the policy of the government has produced results so satisfactory in the opinion of the Prime Minister, why does the government pause in its course; why not go full steam ahead until all the desires of the Minister of Agriculture (Mr. Motherwell) and the Minister of the Interior (Mr. Stewart, Argenteuil) are fully satisfied by the death of protection? No, Mr. Speaker, these are not the signs of prosperity. The Prime Minister, I am afraid, has surrounded himself with his graph master and his index master, instead of going out among the people and observing conditions as they really exist. If he will come with me through the main streets of any of our towns and cities he will see there unoccupied stores, for the first time in many years, and if he goes into the occupied stores he will find the clerks standing idle; if he goes down to the parts occupied by the working people he will find for the first time in many years signs "to let" on empty houses all along the streets; if he comes to our city markets he will find there abundance of agricultural products, but few buyers and low prices; if he goes to the grocery shop he will find the grocer complaining of lack of money —a complaint that is general throughout the city. These are more reliable signs of the condition of the country than second-hand evidence.

The Speech from the Throne refers to immigration. If the government would cease its declaration of policies and be practical, it would absolve itself from many errors and complaints from different classes of the people; it would withdraw from any aggressive policy of immigration at the present time. And in that I am voicing the opinion of our municipal authorities and our labour men. I quite agree that we need more population, but it will not be gained until we have employment or places to put people who come to this country. Great errors have been made by the government, indirectly by their agents or by the railway agents. Let me refer here to the experience of three splendid men who came to the city of Kingston and interviewed the mayor. They complained that they had been misled by lectures and by shows in the Old Country. The experience of these men is set forth in the following paragraph:

> The Dominion immigration problem as it affects local conditions was brought home very forcibly this morning when three young English-men interviewed the mayor, registering a complaint against the inference which they were allowed to draw regarding industrial conditions in Canada by Canadian government and steamship agents in the Old Country before taking their passage to Canada.
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> The trio were all married men, splendid types of intelligent mechanics, one of whom held a commission in the Imperial army during the war. Each one of them is in possession of references proving them to be experienced workmen of a high grade, and one of them was for twenty years a supervisor with the same firm in England.
>
> These men told a story to the mayor, corroborating one another as they went along, which points very distinctly to the fact that there is something wrong with the present immigration system.
>
> They stated that they had been greatly influenced by lectures which they had attended in England, in which the industrial and agricultural opportunities which exist in Canada were painted in very glowing colors. Questioned by the mayor they were unanimous in the statement that the need for agricultural workers in Canada had not been emphasized in any degree whatsoever, and that industrial conditions were painted in the same colors as agricultural conditions.

This will show that the policy of bringing immigrants here indiscriminately for the sake of numbers is a very wrong policy, and the government, whether directly or indirectly, is subject to criticism in that respect.

With regard to the government's settlement policy as referred to in the Speech from the Throne, I should like to deal with one feature of that subject which has already been touched upon by one of the speakers, namely, the intention to bring settlers to this country and place them in the Peace river district. I think we have already seen the great mistake of having men go away up into the Peace river country and then make complaints. It would be very unwise, it seems to me, on the part of the government to place even one settler in the Peace river country when there are other sections suitable for settlement. There is a great opportunity to resettle areas in Nova Scotia. Here are vacant farms; here are pleasant conditions by which our British citizens can be surrounded. There is also an opportunity in New Brunswick and in Quebec, and there is a very great opportunity in Ontario. I would refer the government to what I look upon as one of the most promising areas in this Dominion. Astride the Grand Trunk Pacific, in northern Ontario, on and just north of the great divide separating the drainage into James bay from that into the St. Lawrence, is situated a great area of arable land 40,000 square miles, more or less, in dimensions. It projects about 140 miles into Quebec and the same distance into Ontario. The greater part of this area lies south of the 50th parallel of latitude, which on the

prairie passes just north of the city of Winnipeg. The physical properties and derivation of the clay in this area are exactly those of the Winnipeg clay belt. Both are the result of glacial lake deposits. Both represent the existence of a huge lake which was formed by the damming up of the northward flowing rivers as the ice cap retreated northward from its great southern encroachment. Where thick beds of this lake deposit have been sectional by post glacial action of rivers, it is found to consist of comparatively thin bedded sand and clay which when cultivated will form the richest of loams.

Here is an area far preferable at the present time to that of the Peace river district, although I will not disparage the Peace river district, because I know the quality of the land there; it is one of the finest areas in the Dominion. But here is an area almost as good, with all sorts of possibilities, with proximity to transportation and with very many other advantages to the settler. In addition to that the settler would be close to the great gold belt, and he would have a diversified employment. He would have the privilege of cutting the light timber which is found there, for the purpose of making a living in between seasons. I would strongly urge upon the government the desirability of considering these areas which I have mentioned rather than the Peace river district for the purposes of settlement of this kind. If the intention of the government is to create a railroad connection to serve that elevator which is to be built at Prince Rupert, then I think they are placing a great burden upon the country, increasing the taxation and the capital expenditure, which we in time will have to pay, without very much result.

In regard to ocean rates. I look upon the reference to the matter in the Speech as a red herring, nothing else, to draw the attention of the people from the unemployment and from the other conditions of depression which prevail. Or it may be a camouflage, to pretend to carry out this promised war on the combines. If that is the case I fail to see why they should undertake to bonus when they have in their midst the greatest combine eater in America in the person of the Minister of Labour (Mr. Murdock). Why, for years he has been gnashing his teeth against the combines; he has had three years of opportunity, but nothing has been done. If the proposal is really a measure of protection, and as our friends to the left intend to support the government, then that will be another policy of protection which they must stand back of. If that is what it amounts to, where are those champion bell ringers, the Minister of the Interior (Mr. Stewart) and the Minister of Agriculture (Mr. Motherwell), and will they permit this system of protection to be instituted? We had an example of the position in which the government finds itself in the expedition, referred to by another speaker, which, accompanied by the chief whip of the government, came up from Nova Scotia and asked for protection. As the chief whip journeyed to Ottawa I would like to have known his inmost thoughts when he remembered the declaration of his two colleagues that they were ringing the death knell of protection. Here he was, coming up from Nova Scotia to plead the very cause of protection. I would like to have had his thoughts as he recalled the many days and nights that he worked here, pressing his party from both sides of the House to kill protection, to murder it at any cost; and now the ghost rises up to torment him in this latest protection proposal of the government. If this proposal is real, why not place in the Speech from the Throne the promise of a bonus to the National Railways and to the Canadian Pacific to carry coal from the east and the west to the central part of Canada for the benefit of the workingmen and the miners of the east and the west? A bonus for that purpose is just as much justified as a bonus to ocean steamers. If the government is really sincere, why not bonus a Canadian steamship company? One cannot say very much further on this matter. We can only wait for the promise to be carried out; but if there is to be a bonus to a steamship company, then I am willing to support members from Nova Scotia and members from Alberta in asking for a bonus for the railways to develop the mining industry in eastern and western Canada and to help bring Canadian coal to central Canada.

Passing from a mere criticism of the Speech from the Throne, I would like to refer for a few minutes to some special requirements pressing upon us at the present time. Reference has been made to improvements in the harbours on the St. Lawrence route. I want to join with the member for Leeds (Mr. Stewart) in pressing upon the government the opinion he expressed this afternoon, that more important to the province of Ontario is the development of power on the St. Lawrence. Some years ago when the hydro-electric system was introduced in Ontario, we believed that we had an abundance of power in this country. We never believed that we would reach a time of shortage, and yet so splendid has been the development of that system and

so popular and widespread the use of electricity in the province that we are now face to face with a power shortage, and if the government does not give immediate support to the offer of the Ontario Hydro-Electric Commission, it will bring about a very unsatisfactory state of affairs in this province. The development of this power will not cost the citizens of Canada one cent; the province of Ontario is willing to pay the cost of the whole development. All the province wants is that the federal government shall give the commission permission to go forward with that development. Electricity is not now used simply in the development of industry. It has become just as important to the farmers and to the citizens in general; its benefits are not confined to any one class. We in the east have stood aside, and have supported the development in the central part of Canada, believing that our time would soon come when the development of power should take place upon the St. Lawrence, and we do not wish now to see that project connected with any other problem. The deepening of the St. Lawrence is important and will come in its own time, but there is a pressing necessity at the present time for the development of power on the St. Lawrence, and we feel that we can ask for the sympathetic support of the east and west in this matter, especially as the development will not cost Canada in general one cent, for Ontario is willing to bear the whole extent. There is no reference to this matter in the Speech from the Throne, although if this question is not faced by the government it will bring a calamity upon the province; it will affect the country generally, because if we cannot get electrical power in the province of Ontario we must turn to the importation of coal and increase the millions of dollars we already send over to the United States for that purpose, unless we give a bonus to the railways to bring coal from western and eastern Canada. A calamity will face us if this development is not gone on with, and we feel that we can appeal for the sympathetic support of both east and west in urging upon the government the granting of immediate permission for this power development on the St. Lawrence.

There is also before us the question of the completion of the Welland canal. We are quite aware that its completion will be some years off yet, but the government should now place itself on record as to the policy they will adopt in regard to navigation beyond the Welland canal. We in Kingston believe that the harbour of Kingston has been naturally selected as the terminus of the deep waterway to the Welland canal. Work was begun there some years ago, and we are now looking to this government to say that the policy which was instituted some years ago will be continued by them when the proper time comes.

10 p.m.

There is another matter of very great importance to this country which has not been mentioned in the Speech from the Throne, and that is the effect of present conditions on shipbuilding. Some time before the war and during the war the shipbuilding industry in this country developed greatly, especially at such points as Port Arthur, Collingwood, Midland, Toronto and Kingston on the Great Lakes, at Montreal, Quebec and Halifax in the eastern provinces, and at Victoria, Vancouver and Prince Rupert in British Columbia. Now the people who have invested their money in this great industry in Canada find themselves in this peculiar position. Perhaps I had better read the clauses of the resolution which has been submitted to the government by the Associated Boards of Trade in aid of the shipbuilding industry:

> Whereas under the provisions of the United States Merchant Marine Act, Chapter 250, of the year 1920, known as the Jones Law, all ships built or owned outside of the United States are prohibited from entering the coast-wise trade of the United States, and under the customs tariff of the United States, a United States vessel which has repairs made or purchases equipment in any foreign port is subject to an ad valorem duty of 50 per cent on the cost of repairs or equipment, to be paid at the first United States port of call;

That is a very important clause, and is another example of how thoroughly the United States protects her industries. The resolution goes on:

> And whereas under the Canadian Customs Act of July 20th, 1908, there is no duty payable on repairs or equipment purchased in any foreign port, except a duty of 25 per cent in the case of vessels engaging in the coast-wise trade within a year after repairs have been made or equipment purchased in the foreign port.

No other industry suffers such an apparent disadvantage as is placed upon the shipbuilding industry by these two clauses, one from a United States law, and the other from a law of Canada. The shipbuilders of Canada are pleading with the government to come to their support and give them a law somewhat similar or equal to that which has been given to shipbuilders of the United States, and they have asked:

> Therefore be it resolved that the Dominion government be urged to take such action in respect of repairs made or equipment purchased in a foreign port for any Canadian registered vessel as will accord thereto the same treatment as the country of such foreign port extends to repairs made or equipment purchased in Canada.

I am going to make a suggestion as to the ways and means by which the condition in

this country can be changed. I have another suggestion, which I think should have a place in the Speech from the Throne and should have been dealt with by this government; that is as to the development of our ores. I suggest that the government could very well cut two or three millions dollars out of their present immigration expenditure and employ that money on the development of those ores in the Dominion of Canada. We are rich in ores and yet the only use made of them is to carry them to the United States. The development of our ores would mean a great deal to the industrial world of Canada, because some of the largest industries of the United States are purely developed from the smelting and converting into products of Canadian ores in that country. I would thoroughly and heartily support any assistance by way of bonus that this government could give to the development of our iron ore industry. It would build up an immense asset, and would result I am sure, in an immense increase in our population.

I should like to make another suggestion which if adopted by the government would enable them to make use of men who are walking our streets. As hon. members travel over our Canadian railways they will hardly ever pass a central place at which they will not see a number of idle and disabled cars and engines. The government could very well undertake the repair of these cars and engines at the present time. Hundreds of them are lying idle. My suggestion would give employment to our people, and would also lessen the capital expenditure which will have to be made later on for equipment and so forth, on the railways. If anyone travels along these railways he will see hundreds of these cars lying idle at different places, and these cars simply require repairs to make them useful. This would obviate expense in the future.

In conclusion I point out that what we need more than anything else is a policy. We cannot hope for any change as long as our present government look at the conditions as they do. I am sure that, even though the members to our left support the government, they feel the need of just such a policy, and I would like to read the words of the hon. member for Springfield (Mr. Hoey), speaking in the west, in which he demands a new policy. These are his words with regard to the Prime Minister:

> What about Premier King? I heard him speak in Winnipeg recently and it was the address of an elocutionist. There was not an interesting sentence or a stimulating thought. What is the Liberal policy? I have been trying for three years to find out and am more mystified than ever.
>
> [Mr. A. E. Ross.]

And I am sure after he has heard the present Speech from the Throne his mystification will very much increase. We need a policy, Mr. Speaker, which will look conditions squarely in the face and will undertake to better those conditions. If I am wrong in saying that there is unemployment and dissatisfaction in the country which can be corrected, then I should like to hear discussion on those lines in the House and not merely a policy of silence. If the government have no policy, if the leader of the Progressive party has no policy as he said in the debate, then surely it would not hurt him to come under our banner where there is a policy, not of to-day or to-morrow, but a stable policy under which we will guarantee a return to satisfactory conditions in this country. We ask consideration and discussion of such a policy, but we do not want a policy of silence, or apparent agreement with conditions, as expressed by the Prime Minister. If we are wrong in what we point out now as the real condition in this country, then it should be up to the government to further discuss this question.

Mr. ALEXANDRE J. DOUCET (Kent, N.B.) (Translation): Mr. Speaker, I wish with your permission, to move the adjournment of the debate.

Mr. BELAND (Translation): It is yet early; my hon. friend has his notes in readiness; with his glib tongue, I fancy he would find it an easy matter to go on with the debate this evening.

Mr. DOUCET (Translation): For several reasons, I should have preferred abstaining from addressing the House this evening: In the first place, it is rather late, and after sitting for three consecutive hours, some relaxation is welcome. However, I shall go on speaking in English.

In attempting to speak upon the debate, Mr. Speaker, I will adopt the old English axiom, that brevity is the soal of wit; not that I pretend to be witty, but I assure hon. members I shall endeavour to be brief.

When I moved the adjournment of the debate, it was not due to superstition, because this is Friday and the thirteenth of the month; but because I did not wish to tire the House at this late hour of the evening, after we have been in session since three o'clock.

I wish to say a few words upon the Speech from the Throne as delivered in this House. In my view the first section of it which states that the year 1924 was a period of substantial progress is altogether at variance with con-

ditions as they exist from the Atlantic to the Pacific. No one knows that better than the members of the government who have been travelling from the Pacific to the Atlantic during the recess. Progress we have not in this country, and I make no apology for stating here this evening that unless the policy of the government is amended so as to give some benefits to the various industries destined to develop and manufacture our raw materials, we shall not have substantial progress in Canada.

Again referring to the Speech from the Throne, I find that the government intends economizing on public works. This is somewhat in keeping with a statement made in Vancouver last October by the Prime Minister himself, but only as regards the east, because I have in my hand a copy of the Vancouver Sun of the 22nd October last, according to which the Prime Minister himself said:

> Recalling the difficulties of government, Premier King said he would have to tell his friends in the east that they could not yet count on their needed public buildings, wharves nor branch lines as the money was needed in the west.

We, in the east, interpret that, in these words, "that the east must wait". The east is anxious to give fair treatment to every section of this Dominion; the east is anxious to see that fairplay is given to every part of this Dominion, but the east, after having submitted to the tariff reductions of last session which have paralyzed its industries, is not in a mood to submit to a curtailment of public expenditures for the benefit of one section of the country alone. We are told in the speech delivered by the Prime Minister in this House the other day and reported on page 38 of Hansard, that farm implements have been reduced in price in 1924. Citing six different farm implements, he states that they have been reduced from $953.50 to $905.50, a total reduction of $48. That does not cover the excess in price due to the increase of the excise tax which the present government placed in the statutes of 1923. Yet they try to pacify the farming population of this country by stating that their tinkering with the tariff in 1924 has caused a decrease in the price of farm implements. My hon. friends to my left must realize by this time, as we representing the farming population of the Maritime provinces realize, that there has been no decrease in the cost of farm implements; that while there have been various and substantial cuts in the tariff on farm implements since 1907, I submit, as has been submitted by the hon. member for London (Mr. White) that to-day we are paying more for farm implements and will continue to pay more. Why? Because our farm implement industries are not getting the protection they need against goods from without. From the speech of the Prime Minister, as reported on page 39 of Hansard, we find that the cost of living has decreased, or that it is not as high as it is in the neighbouring republic to the south of us. It does not matter very much to me whether the cost of living is reduced or not if our workmen, our mechanics, our railwaymen and all men who work for a daily wage are not getting the money with which to buy the necessaries of life. In making the comparison, the Prime Minister states that, taking a number of articles, the cost in the United States is $10.46 as against $8.70 in Canada. In taking those figures, I am led to ascertain in what respect the cost of living is less in Canada than in the United States. I find the following:

Commodities	Quantity	United States	Canada
Beef, four different cuts.	1 pound	44 cents	32 cents
Milk..	1 quart	13½ cents	11½ cents
Butter..	1 pound	49 cents	39 cents
Cheese..	1 pound	34.4 cents	28.4 cents
Eggs..	1 dozen	39.4 cents	31.8 cents
Potatoes..	1 bushel	$1.98	$1.28

Mr. BALDWIN: Is my hon. friend aware that it takes five quarts of American measure to make four quarts of Canadian measure?

Mr. DOUCET: I quite realize that, and I believe at the same time it takes sixteen ounces of American measure to make sixteen ounces of Canadian measure. While I have cited six different items, the quart measure appears only once and the other items reveal a much greater spread in price. How can we expect our Canadian farmers to be prosperous when there is such a variation in the prices of their products as between the two countries?

I wish to compliment very sincerely the hon. member for Restigouche and Madawaska (Mr. Michaud) who, speaking on the Address the other day, spoke very feelingly of what is known throughout Canada to-day as Maritime rights and the grievances of which that part of the country is complaining. He stated that the St. John Telegraph and the St. John Times and Star had sent delegations to the western provinces for the purpose of trying to induce the people of those provinces to develop an inter-provincial trade with the Maritime provinces. True; and the unfortunate part of it is that this government, while spending through its Department of Trade and Commerce thousands of dollars from the provincial treasury in advertising its political principles, did not see fit to make

any effort to develop an inter-provincial trade between the western and the Maritime provinces, but left it to private enterprise to undertake this task. Unfortunately, I cannot agree with my hon. friend on the question of protection. He says that if we had a population of 110,000,000 such as they have in the United States we should be able to stand protection; he wants a lower tariff so that the farmers may be in a better position to carry on. Now, I will submit a few figures for the consideration of the House. In the year 1923 our importations from the United States of fresh fruits amounted to $5,000,000, while fresh vegetables totalled $2,500,000; grain, $8,230,000; seeds, $1,660,000; tobacco in its unmanufactured state, $5,600,000. And the total of such imports as are represented in the category of farm produce was $65,559,000. This was all to the disadvantage of each and every Canadian farmer who is trying to carry on within the bounds of this Dominion. This being the case, how can we hope to secure any advantage, how can we derive any benefit or render the Canadian farmer more prosperous, by taking away even the little vestige of protection that still exists? The argument of my hon. friend should be taken the other way; what we do want in this country is higher protection on farm produce so that this $65,559,000 worth of farm produce would not be permitted to cross the imaginary border to supplant, on the Canadian market, the produce of our farmers who have tilled the Canadian soil.

I have listened patiently from time to time to my hon. friends on my left advocating free trade in every commodity, and I have an extract from their own platform of 1921, which demands that all foodstuffs be placed on the free list. Let us consider a few more figures in this connection. The estimated value of the production of the farms for the crop year 1922-23 was $1,172,855,000, of which $822,918,000 worth was consumed in Canada; or 70.16 per cent of the total production was consumed in Canadian territory. Let me amplify this statement. Taking wheat out of production and consumption, of the balance, 90.78 per cent, was consumed in this country. In view of this fact it will be seen how important it is to us to conserve the home market for the Canadian farmer. Apart from the growing and the shipment of wheat, those farmers who are occupied in mixed farming require a certain protection. The question may be asked why the farming population of Ontario, Quebec and the Maritime provinces should have any grievance. Well, they have a grievance because their farm produce is not bringing the revenue which it did two or three years ago. I have taken the trouble to prepare a comparative statement in regard to the Maritime and Quebec markets, for which I have the figures for the years 1921-22-23 and 24. In 1921 the wholesale price for hay delivered on the Maritime market was $32 per ton, whereas in 1924 it was $17. Fresh pork was worth 18 cents per pound in 1921 as against 12 cents in 1924; beef was 10 against 8; mutton 17 and 12; chicken 40 and 30; butter solids 42 and 36; eggs by the case 50 and 38; and cheese 24 and 18. At the same time, what the farmer has to buy has increased, so that the purchasing power of the farmer's dollar to-day is much less than it was in 1922. With these conditions existing, and in view of the increased burden of taxation, how can we expect the farmer to do anything but complain of the situation? And what is the reason for all this? It is all due to the nibbling at the tariff and the juggling that has been going on. Tariff conditions in the country are unstable and our manufacturing industries of the Maritime provinces and even of central Canada are not in a position to provide employment for our own Canadian born and bred, who are leaving the country by the thousands. The Prime Minister questions the accuracy of my right hon. leader's statements in regard to immigration, and he gives us the impression that the people are returning to the country in train-loads. Now, I do not care how you manipulate statistics, but the best proof one can have of the depopulation of Canada is one's own experience in his travels. Going through the rural sections of this country from Montreal to the Atlantic, you will find in numerous sections country houses by the dozen, yes, indeed by the hundred, boarded up, the farmers and their families having left for the United States where they hope to better their fortune. We have statements made by those who appeared before the government no later than November last, all supporters of the administration from the Maritime provinces, led by the Premier of Nova Scotia, who is also a stalwart and faithful follower of the government. They said that for the lack of protection on bituminous round coal and on slack coal mined in Nova Scotia, and by allowing the entry of anthracite dust from the United States free of duty, coupled with the lack of preferential freight rates for the transportation of the coal of Nova Scotia to central Canada, their industries in the Maritimes were languishing and their population of between

125,000 and 150,000 people was seriously affected. This is not Tory propaganda, this is not Tory camouflage; it is gathered from the statements made by the delegation which interviewed the government. The members of the government themselves know that what I am saying is correct, because in spite of the fact that the hon. member for Vancouver Centre (Mr. Stevens) and the hon. member for Fort William and Rainy River (Mr. Manion) have challenged the government time and again throughout this debate to refute a single argument, not one member of the administration has yet taken time to reply. It is true, Sir, that the Minister of Labour (Mr. Murdock) ventured the assertion that the offices of the British Empire Steel Company at Sydney were over-manned with officials. But with ten blast furnaces idle since June and with only three or four hundred men working out of a total force of thirty-five hundred it stands to reason that no financial or any other genius is needed to tell us that the company do not require the same number of officials.

No, Mr. Speaker, conditions have been brought about because the government has been trying to please a certain portion of this House to the detriment of the rest.

Some hon. MEMBERS: Oh, oh.

Mr. DOUCET: Well, I am sorry for my hon. friends to my immediate left that they are to-day realizing that the juggling, the nibbling and the cutting of tariff duties is not going to benefit anyone. What we want is a consistent policy of protection. The National Policy was introduced in 1878 and consistently maintained by every administration up to a recent date. It was even maintained after 1896 by the very men who on every platform talked freer trade, by the very men who in that general election advocated a low tariff policy. It is a matter of history now that before the first budget speech was delivered the Liberal party resorted to the policy that had been in force since 1878, with a few minor alterations, I admit. With a population of slightly over three million in 1871 we have under protection prospered to the extent which the figures I now wish to place on Hansard amply demonstrate. Our field crops in 1901 were valued at $194,953,420; in 1923, at $891,755,200. Our live stock in 1901 was valued at $268,651,026; in 1923, at $613,260,000. Our dairy products have increased in value four times, from $29,731,000 in 1901 to practically $105,000,000 in 1922. Our fisheries, which in 1871 produced less than $8,000,000, in 1922 produced $41,800,210. Our minerals, developed through a system of protection that is to-day denied the mining industry, were worth $10,221,255 in 1881 as against $214,102,000 in 1923. In 1871 our manufactures employed about 188,000 men, as against 517,141 in 1921, and while in 1871 the salaries and wages paid amounted to $40,851,000, by 1921 they had increased to $581,402,385. The products of these factories were worth $221,617,000 in 1871, whilst in 1921 they had reached the enormous value of $2,747,926,675. All that progress, Sir, was made under a protective policy.

Now, I do not maintain that protection is a panacea that will cure all ills; but I certainly say that unless we have such a fiscal policy as will give our industries a chance to work full time, manufacturing our raw products and giving employment to our working men, we are not going to prosper. Unless every class of our population gets employment six days a week and a full dinner pail, this country cannot be said to be flourishing. I am reminded that in 1921 the right hon. Prime Minister—then leader of the opposition—and his present colleague, the Secretary of State (Mr. Copp), addressing a meeting in the Grand Opera House in the town of Sussex, county of Kings, N.B., stated that with the return of their party to power we would get the benefit of a golden era of prosperity and our working men would have a full dinner pail. There was a by-election in the city of Moncton last November and some one was uncharitable enough to place an advertisement on a billboard, worded after this fashion:

> Lost, a full dinner pail between the city of Moncton and Ottawa.

And a reward was offered if it should be sent to a certain person in Ottawa.

Now, in order to benefit the Maritime provinces there must be some reduction in transportation rates. If the Maritime provinces are prosperous; if they can develop their industries; if their people are contented—and the same thing applies to the prairie provinces—the whole Dominion will benefit thereby. But we are told that if we do reduce transportation rates on the Canadian National railways the result will be an increase in the deficit. Not necessarily. Let the government and the Canadian National Railway Board practise some economy. I do not mean that they should practise economy by laying off the men with overalls, by curtailing their hours of employment or by giving them two weeks' holidays without salaries at Christmas time. But we have numbers of highly salaried officials on the Canadian National railways who could easily be dispensed with and others whose remuneration could certainly be reduced without any loss to the country or to the railways. I say advisedly

that the administration of the Atlantic section of the Canadian National railways, between Halifax, Sydney and Rivière du Loup on the Intercolonial and between Moncton and Monk on the Transcontinental, is costing more to-day than it did prior to December, 1922, when the Atlantic section extended to Montreal on the Intercolonial and on to Winnipeg on the Transcontinental. That is where we can practise some economy.

Then it might be well to suggest that the management of the Canadian National railways should forget about this radio craze. In Moncton we were treated last year to the erection of a radio transmitting station that cost, I am told, $125,000, while those who ship their produce over the railway in that district are struggling in vain to get a reduction in rates in order that they may place their products on the central markets of the Dominion. Then, again, why not eliminate a few of the private cars? That is another craze. Everybody has to have a private car over that railway. The president of the board himself made a flying trip to the Maritime provinces in November. I understand that he left Montreal with six private cars attached to his train, and when he reached the hub of the Maritimes he had eight. No one seems to know how many he had by the time he got to Sydney. When we realize that apart from his salary of $50,000 a year his expenses for 1924 amounted to something like $75,000, we can appreciate the fact that transportation rates could be easily reduced if the necessary economies were practised in connection with the higher paid officials and the administrative heads of the railway.

But if we ask for a reduction of transportation rates, what do we get? In a brief submitted by the secretary of the Nova Scotia Poultry Association before the Board of Railway Commissioners at their last sitting in the city of Halifax, he pointed out that while it cost three cents per dozen to import eggs in refrigerator cars from Chicago to Halifax, it cost two cents per dozen to ship them from Truro to Halifax, a distance of 64 miles, and four cents per dozen from Loch Broom station to Stellarton or New Glasgow, a distance of 11 miles. I could quote also a statement presented to the same board by the North Atlantic Fisheries Company which shows a discrimination against the fishing industry of the Maritime provinces in respect to carriage by express. The fish merchant shipping 100 pounds of fresh fish by express from Halifax to Winnipeg, a distance of 1,993 miles has to pay $10.06 per 100 pounds, or 10 cents a pound, in round figures, whereas the shipper of fish on the Pacific coast can ship 100 pounds of fresh fish from Prince Rupert to Winnipeg, a distance of 1,758 miles, for $3.59. The service is the same in each case—express—and the cost is $3.59 in favour of the British Columbia or Pacific fisherman and $10.06 against the Atlantic fisherman.

The hon. member for Rimouski (Sir Eugene Fiset), in moving the Address in reply to the Speech from the Throne, said that we should select our immigration, and in that I quite agree with him. It should be the bounden duty of this government, before introducing any legislation in connection with immigration or adopting any further immigration policies, to study the conditions with a view to seeing that our own native born Canadians should be enabled to stay in this country and not have to leave in hundreds of thousands. Why, Sir, it is appalling when you realize from the public accounts that practically five millions of dollars have been taken out of the public treasury within the past three years to bring something like 350,000 immigrants into this country from European shores, whilst in every town and hamlet of this Dominion you will find vacant houses and houses boarded up by our own native born Canadians who have gone across the line. I care not what statistics may say; I know as one who has travelled considerably in the last eight months, and some of my honourable friends know it, of villages in a neighbouring county where I have counted as many as fifteen houses in succession boarded up. I made it my business to inquire and found that they had been boarded up within the last two years. Yet we are spending millions of dollars to bring men to take their places on Canadian soil. To my mind one of our own Canadian born citizens, one who knows our soil and is used to our climate and our customs, is worth more than half a dozen of these importations from European countries who take years and sometimes decades to accustom themselves to conditions in this country.

I think I have said sufficient on the question of transportation to demonstrate to this government that what is necessary for our farming population both east and west is equalization of conditions, not favouritism to any one section of the country, but the same standard of conditions throughout every part of this Dominion. Give us a chance to keep our own population in this country, to develop our industries and the production of our natural products, and enjoy a measure of prosperity not comparable with the prosperity spoken of in the Speech from the Throne.

In connection with steel and coal, I wish to give a few figures, because to my mind they are very striking, and as one from the Maritime provinces I think it is my duty to do so. I am sorry that we could not during this debate enthuse one of the representatives from the province of Nova Scotia to speak on this subject and place the facts as they should be placed before this House and the country. In view of the policy that has been consistently maintained by the present government of ignoring conditions as they are in the provinces by the sea, of ignoring the hundreds of thousands of tons of bituminous coal and anthracite dust and screenings that are being imported into this country and come into direct competition with the products of the mines of Nova Scotia and New Brunswick, I think it behooves one of the representatives from the provinces by the sea to get up and state to the House the conditions as they actually exist.

The government was advised last year that the wiping away of the $2.50 per ton duty on pig-iron and $7.00 per ton on rolled iron and steel would cripple the steel industry of this Dominion. What do we find? We find that whilst practically 115,000 men were employed in the steel industry in 1920, less than 75,000 men were employed in 1924; that while $150,000,000 was paid in wages to the men employed in the steel industry in 1920, only $90,000,000 was paid in 1924; that while in 1913 the total production of coal in the province of Nova Scotia was over 8,000,000 tons, that amount had fallen to something like 5,500,000 tons in the year 1924. And yet with a production that had fallen off by practically 3,000,000 tons, they are unable to find a market for their products.

While on the subject of coal, let me say that we have in the province of New Brunswick considerable coal deposits. In the county which I have the honour to represent in this House there is a coal mine, and although they have endeavoured to get our Canadian National Railway System to purchase their coal, which is within easy reach of the divisional station of Moncton and of Newcastle, I learned from the general manager less than a week ago that he had not been able to place the product of that mine for use on the Canadian National railways.

I bring this matter to the attention of the government because I believe that this coal deposit in the province of New Brunswick should be developed and encouraged, inasmuch as it is a much shorter haul for the coal from the Beersville coal mine than it is from any other section of the province.

11 p.m.

Having placed these facts before the House, in conclusion I wish to say that with conditions as they are to-day in the eastern provinces of this Dominion, what is required is the equalization of conditions. Let the transportation rates be such as to permit of our natural products, the products of the farm, the fisheries, the forests and the mines, reaching their logical market in the central provinces. Let the government consider the advisability of increasing the protective duty on bituminous coal so that our own coal in the Maritime provinces and Alberta may find its way to the central provinces, and that less of our good Canadian money be sent across the line to give employment to American workmen in the bituminous coal mines over there.

Mr. W. F. GARLAND (Carleton) moved the adjournment of the debate.

Mr. BELAND: I think it is a great disappointment to the House generally that this debate has not come to an end this evening, but in view of the intimation that a few more speakers intend to address the House I think we should now adjourn the debate, it being understood with the leader of the opposition that the debate might come to an end on Monday.

Motion agreed to and debate adjourned.

On motion of Mr. Beland the House adjourned at 11 p.m.

Monday, February 16, 1925

The House met at three o'clock.

OCEAN SHIPPING RATES

REPORT ON AND ACTION CONCERNING NORTH ATLANTIC STEAMSHIP COMBINE

Right Hon. W. L. MACKENZIE KING (Prime Minister): I have two motions that were moved and passed the other evening, but which have been sinced expunged from the Votes and Proceedings. I beg to move:

That 800 copies in English and 200 copies in French, of the report of W. T. R. Preston in respect to the North Atlantic steamship combine, laid on the table of the House on the ninth instant, be printed forthwith for distribution to Senators and Members; and that rule 74 be suspended in relation thereto.

Mr. STEVENS: Does this report, as tabled, contain all of the report of Mr. Preston, or is there a supplementary report or recommendations not included in the one that was tabled?

Mr. MACKENZIE KING: My impression is that this is the report in full. I will ask the Minister of Trade and Commerce (Mr. Low) when he comes in, and if I am incorrect, I will inform the hon. member.

Motion agreed to.

GRAIN INQUIRY COMMISSION

Right Hon. W. L. MACKENZIE KING (Prime Minister) moved:

That 425 copies in the English language and 75 copies in the French language of the report of the Royal Grain Inquiry Commission, laid on the table of the House on Monday, the ninth of February, 1925, be printed forthwith for distribution to Senators and Members; and that rule 74 be suspended in relation thereto.

Motion agreed to.

BUSINESS OF THE HOUSE—WEDNESDAY SITTINGS

Right Hon. W. L. MACKENZIE KING (Prime Minister) moved:

That on Wednesday, the 18th of February instant, and every subsequent Wednesday until the end of the session, the House shall meet at three o'clock in the afternoon.

Motion agreed to.

REPORTS AND PAPERS

Report of the Work of the Department of Soldiers Civil Re-establishment for the year ended December 31, 1924.—Hon. Mr. Beland.

Report of the Board of Pension Commissioners for Canada for the year ended March 31, 1924.—Hon. Mr. Beland.

Auditor General's Report for the year ended March 31, 1924.—Hon. Mr. Robb.

DOMINION ELECTIONS ACT AMENDMENT

Mr. WILLIAM IRVINE (East Calgary) moved for leave to introduce Bill No. 5, to amend the Dominion Elections Act.

He said: The purport of this bill is to repeal sections 10 and 11 of the Dominion Elections Act. Section 10 deals with companies and associations which are prohibited from contribution to funds for election purposes. Section 11 deals with persons non-resident who are prohibited from taking part in election campaigns.

Motion agreed to and bill read the first time.

THE GOVERNOR GENERAL'S SPEECH

ADDRESS IN REPLY

The House resumed from Friday, February 13, consideration of the motion of Sir Eugène Fiset for an Address to His Excellency the Governor General in reply to His Speech at the opening of the session.

[Mr. Stevens.]

Mr. W. F. GARLAND (Carleton): Mr. Speaker, in rising to address the House, I must first congratulate the mover of the Address on his speech and also on his being restored to health. The declared policy of the government since it took office has been one of economy and retrenchment, but the policy that has been carried out has fallen far short of that. In each year since the present government took office, the national debt has increased. Members on this side of the House have often been told that they should offer some concrete suggestions that would put an end to some of these deficits that we are being confronted with from time to time. We have in power to-day a government that is preaching economy, but not practising it. In the first place we have a large number of civil servants, and at every session of parliament we are told that the number is being reduced. The number is being reduced in this way, that the underpaid civil servants are being let go and heads of departments and others who are drawing the larger salaries, are in nearly every case being retained. In some cases departments are being depleted, perhaps two stenographers doing the work, but the heads being still kept on.

Last session a Superannuation Act was passed in regard to the civil service, and some changes could be made to it during this session—for instance, that a civil servant who has been restored to health should lose his superannuation. This, I think, would be a very appropriate session in which to introduce legislation of that character. We also have government officials from time to time travelling around the country doing work for the government, going short distances, such as from here to Toronto, and, instead of sitting in first class passenger cars, being accommodated with chairs in parlour cars. This may not seem very much, but when you add all these small items together the grand total represents a large sum of money which could be saved to the country. Certainly, in my opinion, these civil servants should be required to travel in ordinary first class cars just as other people do.

Another item of unnecessary expenditure which the government should look into, and which comes nearer home, is the money spent in the use of motor cars that go driving around for ministerial purposes at the expense of the public treasury. This is an ideal opportunity for some economy. It is true that there are ministers of the crown who run their own cars, supplying their own gasoline, but no

doubt this particular item could afford some means of retrenchment. As I say, these various items may not appear to amount to much but in the aggregate they certainly account for a large sum. I might mention one other matter in connection with which I think there has been bad management. The headquarters of the Public Works department in this city were formerly on Queen street. The government bought a property on York street and remodelled it, and that new building houses the employees of the department a half mile away from the centre of things. This entails a great deal of inconvenience especially when any of the employees are needed in a hurry. This is one respect in which the government showed poor judgment. If they had wanted to do something to relieve unemployment conditions, instead of buying the new property which is so remote from the centre of activities, they could have made use of the property which they already had on Wellington street. That building could have been remodelled. Economy would have been effected and also employment given to those in the city who need work. The Canadian people are not looking for doles; they are anxious to secure employment; and it does seem to me that the government should take advantage of every opportunity that presents itself to provide such employment.

Now the government are handing out to the people statistics in regard to the cost of living; these figures they have placed on Hansard. I am sure the Canadian housewife will be glad to receive the information which is contained in these statistics; it will no doubt enable her to manage her affairs more economically, especially when these statistics have been supplied by experienced housekeepers. But, Mr. Speaker, this is not the sort of thing that the people are looking for from any government, irrespective of the party in power; the people want a government which will take advantage, as I have suggested, of available opportunities for providing employment. Once let the people secure work and they will look after the cost of living themselves. The Canadian to-day is bringing up his family, in nearly every case, ultimately to supply the country to the south of us with labour. We heard a good deal in this House last year about stability; that word was used considerably. I think that it is in the interests of this country to raise its tariff on a par with that of the United States. It seems to me that if anybody in Canada desires cucumbers, strawberries and things of that kind out of season, he ought to be prepared to pay a proper duty on them.

Something has been said about immigration, which to my mind is a wide subject. No one is more pleased than I am to see immigrants coming into this country, but the important proviso, I think, should be, that every immigrant contemplating coming to Canada should be given clearly to understand that this is no land of milk and honey but a place in which he must take off his coat and settle down to work if he expects to be successful. The government in its endeavours to bring immigrants into Canada should see to it that those who come in will remain on the land a reasonable time. People come into this country and after about a month's stay on the land they flock to the cities to swell the ranks of the unemployed. I would go so far as to suggest that before any man left his native land to come to Canada he ought to be told that unless he remained two years, say, on the land in this country he would be deported. I know that the agents in the countries from which the immigrants come are only too ready to help themselves. Not long ago I saw in a newspaper a skit which is not without its significance: A good Canadian housewife had sprinkled crumbs on the doorstep to feed the sparrows and a sparrow came along with a dollar bill. By this time in the countries overseas I suppose people will have gained the impression that it is just as easy as this for anyone to pick up money here.

I do not intend to take up the time of the House further. I have spoken very briefly, because I believe that we ought to get down to practical business. Every small leak which is stopped is so much gained, and in the long run all the small economies which are practised will represent an appreciable saving. The shorter our speeches are, therefore, the sooner we shall be able to get down to business and the more time we shall save.

Mr. DONALD SUTHERLAND (South Oxford): The debate on the motion now before the House has covered a pretty wide range of subjects. This, no doubt, is due to the fact that the Address contains so little matter on which the attention of the members can be concentrated. I have listened with a good deal of interest to the speeches that have been delivered so far, particularly that of the Prime Minister (Mr. Mackenzie King). I have also listened to arguments advanced and have perused a good many of the statistics which have been placed on Hansard by the Prime Minister with the object of convincing the people of Canada that conditions here are not so very bad and, in fact, are much better than they are in the

country to the south of us. Statistics, however, will not satisfy the man on the street who is out of work and is without the means of providing for his family; he requires more than statistics and things of that kind to convince him that conditions here are satisfactory.

It is not a pleasant thing to have to refer to these conditions. When we survey this vast domain which is ours we can come to no other conclusion than that Providence has been very kind to us. We have inherited a great estate; we are charged with the responsibility of the administration of that estate; and so far as Providence is concerned the last few years have been, on the whole, bountiful ones indeed. In the province of Ontario, notwithstanding that last year the spring was late and backward and things did not look very favourable for some time, nature, on the whole, asserted its capacity for recovery, with the result that we had a very bountiful harvest. The same was true also of many other provinces. I notice that the Speech from the Throne did not contain any reference to something that was a feature in the Speech from the Throne when the government came into office. On that occasion —1922—the second paragraph contained the following:

> Our Dominion has not escaped the world-wide economic disturbance and industrial depression but has suffered less from it than other countries. Keen observers of the business barometer feel that the worst is about over and that at an early date we may look for a substantial revival of activity.

That was the condition which prevailed at that time. To-day I observe that the second paragraph of the Speech from the Throne is as follows:

> The problem of the cost of living is the most important that my ministers have in mind at the present time, and every effort is being made to improve conditions with respect thereto. It is apparent that even the most rigid economy in public expenditures will not suffice to solve this pressing problem.

Mr. Speaker, I think under those circumstances it would be advisable for the government to at least make some attempt at economy. If a business man felt that he was going behind, he would take immediate steps by economy and reorganization to place his business on a sound basis. But what is our condition? During the last three years our debt has increased by $178,000,000, the direct increase representing $128,000,000, and the indirect $50,000,000. This is surely a very unsatisfactory condition of affairs, and should cause alarm on the part of the Government and the people, and surely it demands drastic action and economy on the part of the government.

[Mr. Sutherland.]

But the worst feature to my mind is the fact that during these years we have lost 600,000 of the best of our people, young people, who have been forced to leave their native land. They have gone to a foreign country to secure that employment which is denied to them at home. This is an appalling state of affairs and calls for plain speaking on the part of the representatives of the people in this House. If I say some things this afternoon that may not be pleasant to hon. gentlemen opposite, I can assure them that I shall do so from no personal feelings against them, but purely from a sense of the duty which I owe my constituents and my country. I shall endeavour to discharge that duty regardless of the consequence.

In August last the Prime Minister and several of his colleagues visited the county of Oxford. Such visits the people always appreciate very much, whether they agree with the government or not, and I am sure that the Prime Minister and those who accompanied him could not help but feel that the people of Oxford appreciated the importance of the visit. During this debate the Prime Minister referred to some statements which were made by the right hon. leader of the opposition (Mr. Meighen) who on the same day happened to be addressing a similar meeting in the city of Stratford. This meeting was arranged some time in advance of the meeting in the county of Oxford. I thought at the time that in two adjacent counties it might have been possible to have had an interval of at least a day or two between the visits of these two distinguished gentlemen. I attended the meeting addressed by my leader, and to my amazement the Prime Minister last week in this House endeavoured to convey to members of this House an entirely different impression of what was stated by the right hon. leader of the opposition in the city of Stratford. He stated quite distinctly that he had a list of manufacturing industries in this country which had closed their doors since the present government took office. He did not place the number at two thousand, as the Prime Minister stated, but at one thousand, and this figure appeared in every paper which had a reporter at the meeting. But the leader of the opposition did not take exception to the doubling of his figures, because, he said: Although I had stated that one thousand Canadian factories had closed their doors since the government came into power, yet I am prepared to accept your figure of two thousand. And he produced Dun's report to show that two thousand was nearer correct.

On that occasion the Prime Minister also referred to what was being done by his government to reduce the cost of living, and he offered some excuse for the controversy which had arisen between himself and Mr. Bradshaw, the general manager of the Massey-Harris Company, with regard to the Prime Minister's statement respecting improved conditions in the agricultural implement industry as a result of the tariff reductions of last session. He claimed that he intended to say that the improvement was due to the policy of the government, not to the reductions in the tariff. But according to the report of his speech in the Woodstock Sentinel-Review—the only daily paper in the county of Oxford which had a reporter present and which gave practically a verbatim report of the speech—the Prime Minister, after offering his explanation of the controversy between himself and Mr. Bradshaw, said:

> The point we are concerned with is that the present government took the sales tax off the implements of production, and the previous government had put it on.

"And the previous government had put it on." Surely the Prime Minister knew better than that. Was it fair to the people of Oxford to leave the impression on their minds that his government had removed a sales tax of 6 per cent on agricultural implements which the previous government had imposed? What are the facts? When his government came into office there was a 3 per cent sales tax on agricultural implements. They increased it the first session to 4½ per cent, and next session to 6 per cent. So as a matter of fact he reduced the tax on agricultural implements by just as much as he had increased it. In fact it was found that a sales tax of 6 per cent was altogether too high The people did not complain very much of a 3 per cent tax, but they complained and complained bitterly, when it was doubled.

He went on to quote statistics—and he did the same thing in this House; it is on Hansard—to prove that the cost of agricultural implements had been reduced as a result of the reductions in the tariff of a year ago. I thought the Prime Minister had made a mistake, and when he said that, I asked him if the reduction included the decrease in the sales tax. He endeavoured to create the impression that the sales tax had nothing to do with it; that it was the tariff reductions that had brought about the result he mentioned. You will find that in Hansard of a week ago to-day; that is the impression the Prime Minister conveyed to this House. I pointed out that the result had been brought about by a decrease in the tax that had been imposed very largely by his own government, and he had to admit—that the removal of the sales tax was included in the reduction to which he referred.

If you will look at Hansard of Friday last you will notice that the member for London (Mr. White) gave statistics with regard to the price of agricultural implements when this government came into office in December, 1921 and in December 1924; and in every instance the prices of the implements mentioned by the Prime Minister are higher to-day than they were when the present government took office, with one exception. That is the result of the tinkering with the tariff which has been going on; that is the result of the announcements made by the government that they were going to do something along this line. It seems hardly necessary, but I am going to repeat what the Minister of Agriculture (Mr. Motherwell) said, following the assertion of the Minister of the Interior (Mr. Stewart) that he hoped last year's budget had sounded the death knell of protection.

Mr. ROBB: Will my hon. friend allow me before he leaves that: Do I understand that he advocates a duty on agricultural implements?

Mr. SUTHERLAND: I am referring to statements made by the Prime Minister and by others. The impression has been conveyed to the people of this country that as a result of the reductions in the tariff made by the present government the cost of agricultural implements has been reduced. I have pointed out that the reduction has not been as much, even in the last year, as was the amount involved in the removal of the sales tax and that the prices are higher than on 1st January, 1922. The boasted reductions by the Massey-Harris people and the International Harvester people did not amount to as much as the reduction in the sales tax—a tax one-half of which was put on by the present government.

Now, what are conditions at present? In the principal town in the south riding of Oxford, we have machine companies manufacturing tools, screws, bolts, and parts of machinery and implements. Articles of this kind are to-day being supplied the manufacturers of agricultural implements by manufacturing industries in the United States, and many of our workmen who formerly obtained employment in our own factories have had to go south of the line to get employment in a foreign country, in many cases working with firms who are supplying

this country with materials which formerly were manufactured here. This is the policy that is being advocated by the present government—not that of protecting our industries, not that of affording employment in Canada for our own people, but that of having our people employed in a foreign country in order that goods may be sent here to compete with the labour of those who remain at home.

In the constituency of North York a few months ago the Prime Minister intimated that there was to be a "pause" in the activities of the government in ringing the death knell of protection, as was intimated in this House, but that a halt had been called for present, for the purpose, of enabling him to try to find the direction in which they were drifting. They have halted their policy. But the Minister of Agriculture, to whom I was going to refer when the Acting Minister of Finance (Mr. Robb) interrupted me, stated in this House on the seventh of May last:

> 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.

They are now to do slowly—by degrees—what they had before attempted to do, rapidly and they are endeavouring to blind the people as to what their objective is. Is it any wonder that the people are asking themselves where we are drifting? We are a people to-day without any definite national objective in trade, in defence or in outlook. We are simply, drifting, wondering how long this state of affairs is going to continue. The government are admittedly trying to blind the people, trying to fool the people as to their objective. The Minister of Agriculture is frank at times and I am prepared to accept his explanation as to what their objective is. It is evidently designed with a view to pleasing many of those who are seated on this side of the House to my left, because I believe that the definition given of my hon. friends to my left, the Progressives, by the hon. member for Southeast Grey (Miss Macphail) was correct, namely, that they were simply the "pale shadow of the government." We have evidence of that in the debate which has taken place in this House. On Thursday night, to our amazement, we found that some time after six o'clock the debate on the Address had terminated, the motion had been put and carried and the whole thing was apparently over. On having the irregular proceedings corrected we were reprimanded by the leader of the party to my left (Mr. Forke), who stated that a sigh of relief, or words to that effect, would go up over the country when it was realized that this debate had terminated. Since that time you have not heard a word from a supporter of the government or from my friends to my left. They are dumb as oysters, and they seem to be hoping and praying that the Address will be adopted without the people knowing what is going on in this country.

When the budget was brought down in 1923 by the Minister of Finance, Right Hon. Mr. Fielding—whose absence from this House we all deplore, a man who stands high in the estimation of the people, a man whom to know was to love—he stated:

> The congress of the United States in the exercise of its undoubted right, has established what is commonly called the Fordney-McCumber tariff, which is largely a high tariff, and which we realize operates to the disadvantage of Canada. Any desire that we may have towards modification of our own tariff is naturally held in check by the high tariff of the United States.

This was Mr. Fielding's statement in the House in 1923. On the same occasion the Prime Minister said, a few days later, referring to the need of stability and confidence on the part of the people:

> That is all we are aiming at. We do not intend to sacrifice in any particular the needs of any class of our citizens or the needs of industry.

And a little further on:

> So long as on the part of the United States, the tariff wall remains what it is against us, and in Europe the unsettled condition continues to be what it is, and so long, may I add, as Canada remains the only country that has reduced its tariff since the Great War, while other countries continue to put up their tariffs, for that period—

Mark the words:

> —for that period of time at least we shall give to those who are interested in investing their capital and establishing industries in this country, and who are seeking to restore business to a higher level of development, assurance that there will not be unstability where stability ought to prevail.

What a reassuring message to the investor, to the people of this country—for that period of time at least we shall give you that assurance, but after that, look out! That was the policy enunciated in 1923 by the Minister of Finance and by the Prime Minister, and observe what happened in the following year. Reduction in the tariff. Industries such as we have in Oxford which have been supplying many of the parts used by the manufacturers of agricultural implements of this country are falling off and many of these parts are now being manufactured in the United States. We have lost many of our workmen, is it any wonder our people are losing courage and wondering what the end is to be? I would like to point out that when the Prime

Minister was in the county of Oxford this condition of affairs was very much in evidence then as it is now. Scores of our workmen had left this country and gone to the United States, to Detroit and others of the border cities, and were working there. Along with the Prime Minister on that occasion we had the Minister of Labour (Mr. Murdock) and in his address I find that he is reported to have made use of the following language, of course he knew what the conditions were:

> The question might be asked, why are there so many unemployed in Canada?

Then he went on to explain why it was that so many were out of employment. Then the report goes on:

> "Let the unemployed realize that we expect them to get out and hustle as the rest of the citizens have to do," said the Hon. Mr. Murdock to the accompaniment of loud handclapping.

And again:

> "I am holding to-day the proudest position of my life, and I want to come back to give you an address on why I am a Liberal."

I have not noticed, Mr. Speaker, any disposition on the part of the hon. member for North Oxford (Mr. Sinclair) to have the Minister of Labour come up to his constituency and deliver that address on why he is a Liberal. The Minister of Labour sits in this House and hears the criticism of his department, and he does not attempt to defend it, but he likes to get up whenever someone else is speaking and interject a speech in an irregular way. He has violated the rules of the House on numerous occasions in that way, and that is about as far as the Minister of Labour gets towards any explanation which might reasonably be expected from him in regard to this and other matters. I should be very much interested to hear the Minister of Labour or anybody else tell us why he should be a Liberal under present conditions.

Mr. MURDOCK: Would my hon. friend—

Mr. SUTHERLAND: I hope my hon. friend will not take advantage of the opportunity to deliver that address just now. After I get through he will have abundant opportunity to do so.

There were a good many other things referred to by the Prime Minister, which I shall not take up at present. I have mentioned the question I put to the Prime Minister, and probably I had better give the exact language used. I asked him:

> Do the reductions which the Prime Minister has placed upon Hansard include reduction in the sales tax or are they attributable entirely to the reductions in the tariff?

Mr. Mackenzie King: In a word, they are due to the reductions in taxation which this government made last session.

Mr. Sutherland: And put on the session before.

Mr. Mackenzie King: My hon. friend is wrong there.

Mr. Sutherland: Very largely put on the session before.

Mr. Mackenzie King: No. I may say that the reduction in the sales tax had an effect, and certainly the reduction in the duties had an effect.

I am not going to deal with this matter any further. The financial policy for this country can be discussed later when the budget comes down, but I thought it advisable to make this reference in view of the remarks made by the Prime Minister when addressing the House a week ago.

Some of you may recall that at the 1924 session the Minister of Justice (Mr. Lapointe), who, I am sorry, is not in his seat at present, delivered an address in this House on the budget along lines that you would scarcely expect from a Minister of Justice. You might have expected such an address from someone who was apologizing for the policy the government was pursuing. The Minister of Justice in that address tried to show that the policy of the Liberal party was not a protective policy, and he endeavoured to prove his point by quoting from a speech made by Sir Wilfrid Laurier to the effect that protection was not the policy of the Liberal party. After having done that, the Minister of Justice whom one would naturally expect to hold the scales of justice even, was very unfair, I think, in referring to one of his former compatriots from the province of Quebec. He did not mention his name, but it was quite evident to whom he was referring. The Minister of Justice said that this gentleman, Hon. J. I. Tarte had been practically read out of the government and the Liberal party because he had differed with his leader in 1902 on the tariff. He said:

> My right hon. leader of that time was absent attending a conference, I think it was the Imperial Conference in London, and a member of his cabinet—a very able man in every way, but who had on tariff matters the same views as the present right hon. leader of the opposition—during Sir Wilfrid Laurier's absence had preached the principles of high protection in the province of Quebec, and I think in the rest of the country. The first thing that was done by Sir Wilfrid Laurier on his return was to ask for the resignation of that member of his cabinet.

Surely this would indicate to the world that according to the Minister of Justice the policy of the Liberal party is a policy towards free trade and not a policy of protection. What other inference can be drawn from such language? I thought at the time that it was remarkable he did not go a little further and state what the views of the hon. gentleman

referred to were, and what he himself had to say about it, so I asked the question:

> Before my hon. friend leaves that subject, would he mind placing on record the statement made by the minister, who he says was read out of his party, regarding an understanding the Liberal party had with the manufacturers prior to the election of 1896. Make the story complete while you are at it.

I thought it was only fair to the memory of this man, who is now dead, that his statement on the matter should be placed fairly on Hansard and so I asked that question. The reply of the minister was as follows:

> I do not know anything about it. My hon. friend seems to have a fountain of knowledge regarding matters that I am not familiar with at all. This is the first I ever heard of such a thing and I cannot give him the information asked for.

This was the statement made by the Minister of Justice in this House last session, on the 15th of May last. Previous to that he had just stated:

> If you will take the trouble, as I did, to go to the library and read the electioneering pamphlets issued by the Conservative party in all the elections which followed 1896 you will see what hon. gentlemen opposite thought of the tariff of Sir Wilfrid Laurier.

The Minister of Justice admits that he went to the library and went through all the literature issued by the Conservative party for goodness knows how many years back, and he is going to see that this is published, particularly in the province of Quebec; and yet he had never heard anything about the matter to which I referred. Well, I am going to read from Hansard the official record of this House, to show what actually took place, and give you the statement that was made by the member of the government of Sir Wilfrid Laurier referred to by the Minister of Justice. I think it is only fair to the memory of the late Hon. Mr. Tarte the minister referred to that this matter should be placed fairly before the people. My attention was drawn to it by reason of the fact that Hon. Mr. Tarte on that occasion replied to the speech of the member for South Oxford of that time, Sir Richard Cartwright, who, I may say, represented that constituency for some sixteen or seventeen years. Sir Richard Cartwright had delivered a lengthy address on the budget and was followed by Hon. J. I. Tarte, a member of the same party. Mr. Tarte made reference to the many empty benches on the government side when he spoke. Why were those Liberals not in their places to hear this ex-minister give an explanation regarding his resignation from the government and also as to what he believed should be the fiscal policy of Canada. I will only quote part of Mr. Tarte's address which was a very able one, indeed, and one well worthy of being studied by even the Minister of Justice. I cannot understand how the minister, while he was in the library hunting for Tory literature, missed this noteworthy deliverance on the part of Mr. Tarte. On April 20, 1903, Mr. Tarte is reported by Hansard to have spoken as follows:

> There is one thing that surprises me. This Liberal side of the House is rather empty to-night. I would like to see it full. But what surprises me is that there are so many members of parliament on this side who have told me that they share my views, who have written me and told me repeatedly that they share my views, and who have not been able to impress their views on the government. I say it openly, I say it from the bottom of my heart, that I fully expected that the Liberal party, with which I have been connected during the last ten years, would carry out the policy it was understood in 1896 they would carry out. I am weighing my words. I know what arrangement, what understanding took place between some public men. I know what took place. I do not divulge any secrets. I know what we did in the election of 1896 in Montreal. I see within the radius of my eye public men, who, at our request, came to the city of Montreal, went to the manufacturers, with the knowledge of the leaders of the party, and told them not only would the tariff not be disturbed, but it would be changed in the right direction when the proper time came. There was no secret about that. I shall not give names. There are men who hear me—I am sorry there are not more on those benches—who know that I am perfectly right. I am out of office because I could not stay in office under the present circumstances. I have had only but pleasant relations with most of my colleagues and have for the most of them the greatest respect. But I could not possibly stay in office when I knew that the policy we are following now is not the right policy—when I knew what understanding took place formerly. The tariff has worked as well as it could because we have been passing through years of prosperity. But after all we have not developed so marvellously. My hon. friend, the Minister of Finance, and my hon. friends from the Maritime provinces should take a lesson from the past. Before Confederation they were most of them free traders.

A little further on Hon. Mr. Tarte says:

> I am in a peculiar position. As I have said, my relations with most of my colleagues have been of a most agreeable character. I have confidence in the integrity, in the honour of most of them. I have worked harmoniously with the great bulk of the Liberal party. I have done what I could for them in days when they were not as strong as they are to-day. I remember very well the days when the Liberal party was scattered to the winds after the Mercier episode in Quebec. My friends, the Liberals in that province were not as strong then as they are now. They found allies in the Conservative party, and let me say to some of them that they have never been loyal to those allies. Let me reproach them on the floor of this parliament for their lack of loyalty and sincerity towards some of us. They know that I am speaking by the book. I for one have been stabbed in the back on more than one occasion, but I forgot all that. A public man must forget and forgive, when he has the true interest of his country at heart. I remained in the government knowing that behind me there were men who were stabbing me in the back. My former colleagues know it just as well as I know it myself. I remained in office for loyalty sake to my leader and to those of my colleagues with whom I was working for the

best interest of the country. On the question of the tariff, I could not compromise any longer. It may be said that I am not a good party man, and I stand ready to accept that reproach. If I am asked to give up opinions in which I firmly believe in order to remain in office I cannot do it. There are things on which a public man cannot compromise; on which he cannot give up his views. The question of the tariff; the question of transportation, on which I have spoken in the House so often, are two questions on which I hold strong views that I could not possibly give up. I felt that I was no longer in sympathy with several of my colleagues and I went out of office. I have no ill-will towards them.

Surely, in fairness to this man who for many years occupied a prominent position in the public life of Canada, the Minister of Justice might well have put his views on record without endeavouring to condemn his attitude, and to make it appear as though Mr. Tarte had changed his views on the matter of protection.

4 p. m.

During the past few days we have had an intimation from the government of possible action in regard to what is known as the Preston report dealing with shipping rates on the north Atlantic. That question was also referred to in the Speech from the Throne, and I may as well read from the Speech itself the paragraph in question:

With regard to ocean freight rates, action is being taken to overcome the restraints on export trade due to the exactions of the powerful steamship combine known as the North Atlantic Steamship Conference. Your approval will be asked of a measure aimed at affording the government of Canada a control of ocean rates.

The same matter was referred to by the Prime Minister in his speech here a week ago. Apparently he wished to convey the impression that legislation to carry out something further than what has so far been announced in the Address would be brought down. One reference was to the following effect:

We hope so far as our effort in this regard is concerned, that the Canadian government will not have to battle alone, but that it may look to the governments of all other self-governing Dominions and to the government of the Mother Country herself to co-operate with us in fighting this great combination that exists on the Atlantic, to the detriment not only of Canadian trade, but to the trade of Australia, South Africa, New Zealand, and all parts of the British Empire.

Then further on he stated:

As I have said, parliament will be presented shortly with the report dealing with this whole question of Atlantic trade, and the House will also be informed in due course more exactly and in particular of the steps the government is about to take in an effort to cope with the exactions of this powerful combine. The government's action in this regard is only part of a constructive programme which has for its objective the development and increasing of the wealth of this country.

Further on:

And we believe that the legislation which we are going to introduce during the present session if it receives the support of this parliament, will materially assist us to further the diversified industries of this country.

There is evidently in the mind of the Prime Minister a doubt whether his proposition, whatever it is, will receive the approval of this House. I am not going to attempt to discuss the report which was tabled several days ago and which to-day was ordered to be printed. I am not in a position to know what the report contains; but I feel called upon to make some reference to it and to the commissioner who was delegated to make this report, by reason of the fact that a year ago in this House I took exception as strongly as I could to the appointment of the man known as W. T. R. Preston as a commissioner to make this or any other report on behalf of this parliament. Following this up, not receiving a satisfactory answer from—or even the attention of—the Minister of Trade and Commerce (Mr. Low) who had charge of the estimates under consideration, I moved that the amount contained in the estimates for this purpose should be struck out. In view of this action taken by me a year ago, I feel called upon to-day to say something further with regard to this commissioner and his unsavory record. If there is a combine in connection with ocean rates and it can be broken up, I am willing to lend my assistance to the utmost to bring about a solution of the difficulty. But I question very much whether this is not another effort on the part of the government to divert the attention of the people of this country from other matters relating to the government, and I do not believe the government expect by the method proposed to bring about the results which have been referred to by the Prime Minister when he says that he hopes that the other Dominions and the Old Land will join with us in putting an end to this combine.

Whom have they appointed to report on this question? A man who has been known in this country for twenty-five or thirty years as one of the barnacles on the ship of state, nothing more or less. When I entered public life in Canada, my attention was drawn very clearly and emphatically to the operations of this man, not only in western Ontario, but throughout that whole province. I endeavoured to point this out to the Minister of Trade and Commerce when he was asking the House to pass the vote referred to in his estimates, and he even intimated that he did not pay any attention to what I was placing before parliament. He was determined that

this man was to be employed to do this work. We are now asked by the Prime Minister to lend our support to him in the effort to put an end to the unsatisfactory state of affairs referred to. Would it not have been much more simple for the government and the Prime Minister to call upon that much vaunted king of combine busters, the Minister of Labour (Mr. Murdock) to do this work? At a cost of only $82.40 he has obliterated, so he claims, all the trusts, mergers and combines which he claimed formerly flourished in this Dominion. He would have you believe they have been driven into the ocean and now the government's desire is to drive them off the high seas. If so why not send the Minister of Labour after them? I am sure even the Minister of Labour has a better reputation than the man to whom they have delegated this duty even if he does nothing.

Mr. W. T. R. Preston—are my hon. friends opposite not ashamed to hear the name? I notice the Minister of Railways (Mr. Graham) looking up at the ceiling. I am sure he is reviewing in his mind the operations of this man in 1897, 1898 and 1899 in Ontario. When he was exposed, all he had to do was to come to Ottawa and hold a pistol at the head of the government of that day and demand his reward for the iniquities he had been committing. How successful was he? He was so successful that he was immediately sent over to the Old Land at a salary of $3,000 a year and expenses to superintend all immigration coming from Europe to this country. He was not there very long before he was heard from again. The North Atlantic Trading Company was organized and its operations caused considerable comment and suspicion in this country as well as in the Old Land. I hope the Minister of Justice (Mr. Lapointe), when he is searching through the records of the Library for Conservative literature, will take the trouble to look up Preston's record. If he does he will find numerous references in the reports of debates in the House of Commons with regard to W. T. R. Preston and the infamies with which he was associated. This is the man who is referred to in the Speech from the Throne and whose report is announced from day to day in the Press as being available for members of this House to peruse. I noticed a few days ago by the press that he is sending cablegrams to Canada stating that he will soon be back and will attend to the critics who have been commenting on his report which is not yet available to hon. members.

In 1899 we had in office in Ontario what was known as the Ross government. A by-

election was being held in the constituency of West Elgin for the Ontario legislature in that year, and a small army almost entirely composed of government officials, timber agents, members of the Library, members of the Department of Education and many professional election crooks, were sent into the constituency. As an example of the methods pursued, let me read a copy of a letter that was written by D. F. McDonald a government forest ranger in Nipissing, who was there, to the Deputy Minister of Crown Lands, Mr. Aubrey White, Deputy Minister, during that election. I will read only part of it. The letter has reference to the political complexion of the riding, the different families, how many of them are likely to vote Conservative and how many are going to vote Liberal, and is dated Rodney, January 6, 1899. Here he refers to the "doubtful fish" as he calls them. He goes on:

> And the doubtful fish are the Swishers, Scheiters, Schneckenbergers, Schills, Schmidts, Krauses, Kruppes, Keillers, Leibners and the Ousterhaughs. When you get that German brood intermarried with the McPhees, McFaddens, McPhails and McAulays, they make a queer brood of Scottish-Canadians from a doubtful ancestry. They had a hot time at the nominations yesterday in Dutton. I was not there. They are going to have a big time here in Rodney to-night. They have 500 torches ready for the flames to meet G. W. Ross at the station this evening. The brass band will be there. The McRays, the McGugans, the McIvors, McRorys and McRitchies will be there. The Garchies, Dugalds, Duncans and Donalds, with Alberts, Conrads, Carlos, Gottliebs and Jacobs will be jumbled up in a British mixture. Sauerkraut and porridge, Limburger cheese and salt herring. Bologna sausage and haggis, lager and hot Scotch, lamb-scouse and brose, and the riding is any man's to-day. I am going to St. Thomas in the morning to meet Preston. We will win if we can. Keep our fellows fighting mad until Thursday night.
>
> Hoping you are all well,
> I am, as ever, yours,
>
> D. F. McDonald.

Note, he was going to St. Thomas to meet Preston, the man who was in charge of the campaign. I shall mention some of the names of those who were operating in that election and who were well known at one time:

> W. T. R. Preston: Special government manager for the by-elections—parliamentary librarian at Toronto at a salary of $1,800—now inspector of Dominion immigration agencies in Europe at a salary of $3,000 and expenses.
>
> Alex Smith: Reform provincial organizer—entrusted with moneys by the Reform Association (Limited) without being required to give a detailed account thereof (as he swore in the Waterloo trial.)
>
> James Vance: Assistant grit organizer, who rendered signal service to the Hardy-Ross government in North Waterloo and other ridings.
>
> D. F. McDonald: Government forest ranger in Nipissing.

J. W. Thompson: An employee of Mr. Ross' Department of Education.

Capt. Sullivan: "Prince of Plungers"—Reported in South Ontario.

Tom Lewis of London: Shares honours with Sullivan; reported in North Waterloo.

J. G. Pritchett: Ex-Alderman of London—an "educated" deputy returning officer, who prefers the name of M. B. Johnston, a reputable St. Thomas citizen to his own, laboring for honest government in North Waterloo, till the Conservatives to use Mr. McNish's complaint, "pursued him with a persistence worthy of a better cause."

E. D. Croden of London: another "educated" deputy returing officer, who knew better than to permit Mr. Macdiarmid's scrutineers to see the ballots at No. 7, St. Thomas.

Duncan Bole—of Sault Ste. Marie—a graduated ballot artist: government immigration agent, fishery and fur inspector:

Martin J. Cahill—of St. Catharines—another ballot artist who preferred to be known in West Elgin as Albert E. Montgomery.

These are a few of them. There were a number of others who were arrested on election day. On the night before the election Mr. Preston spoke in the McNish club rooms and Duncombe opera house, as follows:

They speak of the men who are here as if they were gamblers and blacklegs. Not a man of them but has come here openly and at his own expense and only out of love of the cause of good government. When this election is over—

Mark the words:

—our opponents will not be able to put a finger upon any act of wrongdoing. **There will not be a stain left** on West Elgin.

The stain was not upon West Elgin but upon Preston and his cohorts, I might observe here that he addressed a Sunday school class in St. Thomas, the Sunday before his election, and requested the class to sing his favourite hymn. "There is sunshine in my soul." On election day the Conservatives got out a circular to this effect:

Three pluggers already in gaol. Many others operating in the city. Beware. Go out and poll your vote before a plugger votes on your name. Four unknown persons acting as deputy returning officers in the city. Every fraudulent scheme is being resorted to in order to defeat Mr. Macdiarmid. Let honest men unite to condemn such nefarious deeds.

On election night it was found that Mr. McNish the Liberal candidate had been elected over Mr. Macdiarmid the Conservative candidate by a small majority and while they were celebrating the supposed victory in the committee rooms the following telegram was received by Mr. McNish from Toronto, January 12, 1899:

Heartiest congratulations. Sorry to the bottom of my heart I cannot be with you to-night. To be supported by such a noble army of workers should make you the proudest man in Ontario. Shake hands with the boys for me, and hug the members of the much-abused threshing machine for Auld Lang Syne.

PRESTON.

Sir Allen Aylesworth, now a member of the Senate of Canada, formerly Minister of Justice, and at that time counsel for the Liberal party in election protests, was in St. Thomas investigating the charges which had been made in connection with the protest that had been lodged against Mr. McNish's election. Last session the Minister of Trade and Commerce would not heed me when I drew his attention to this matter and Preston's connection with it: he considered such things trivial. However, in view of the fact that the organizer, the man who had charge of the work in West Elgin, sent a message of congratulation to the candidate who was elected, acknowledging and approving, in his telegram to McNish, the men who were carrying on, I will read the confession which was made by McNish the Liberal candidate and signed by him and witnessed by A. B. Aylesworth, counsel for McNish, so that you can understand the nature of the work that was admittedly carried on. The confession is as follows:

Messrs. CROTHERS & PRICE, barristers, etc.,
St. Thomas, Ont.

Dear Sirs,—

We beg to advise you that Mr. McNish has discussed at length with his solicitors the charges contained in the petition which has been filed against his return as member of the legislative assembly of Ontario for West Elgin, and that they have to a considerable extent investigated the charges contained therein and other matters wnich have come to their knowledge in connection with the election. And the subscribers hereto make the following statements and admissions respecting the same.

1. That a large number of persons were specially sent into the constituency by men working on behalf of the Liberal party for the express purpose of taking part on Mr. McNish's behalf in the election held January 12th, 1899, and we believe that fraudulent and corrupt means were used by some of such persons to secure his election.

2. That several of the said persons illegally and without authority acted as deputy returning officers at the said election, and in at least three cases so acted in the names of reputable local men, having, under assumed names, been introduced to the returning officer by local agents of Mr. McNish.

3. That in many of the polling sub-divisions of the riding there were grave irregularities connected with the return of the ballot boxes and their contents, the voting and the counting of the ballots thereat.

4. That there were large numbers of persons brought into the riding for the express purpose of personating legitimate voters, and assisted by some of Mr. McNish's local supporters such persons did personate qualified votes in voting for Mr. McNish.

5. That the declared number of votes for Mr. McNish largely exceeded the number of bona fide votes cast for him.

6. That a large number of votes cast for Mr. Macdiarmid were in some nefarious and corrupt manner manipulated, whereby the result of the election was rendered doubtful and that in this connection the voting at Shedden and Middlemarch and in several divisions in St. Thomas, where said strangers so acted as deputy returning officers, merits special mention.

7. That there are good reasons to believe that there are many specific and well authenticated cases where agents of Mr. McNish concealed at their homes some of those strangers, who there paid large sums of money to electors to induce them to vote for him.

8. That Mr. McNish will forthwith deliver to the Speaker of the legislative assembly his resignation as a member thereof for the said electoral district.

DONALD MCNISH.

Witness: A. B. Aylesworth.

This is Sir Allen Aylesworth, at present a member of the Senate and who subsequently to this affair was Minister of Justice. If there is any hon. member in this House or any person in the country who doubts the accuracy of this document or of any statement that I have made with regard to this question, I can guarantee that the matter can be cleared up in the upper house, where the then counsel for Mr. McNish will have an opportunity of stating his views on the whole question and either affirming or denying the accuracy of this confession.

This admission naturally caused a great deal of comment in the province. Although the government had been in office for many years and had at the outset a fairly good reputation, many of the most outstanding Liberals in the province openly condemned their party leaders and the Prestonian methods adopted to hold office. I am referring to one in particular, the late Hon. S. H. Plake, whose statement as follows was reported in the press and was never denied so far as I know:

If I were in office Preston's head as well as all others who took part in these disgraceful acts would fall just as quickly as I could write down their names on paper.

Hon. S. H. Blake was never considered to be an impulsive man; he was of a judicial mind, learned in the law, of high personal character and a distinguished member of one of the oldest and best known Liberal families in the Dominion. I also had an encounter with this machine in its operations in South Oxford. I was elected as representative of that constituency in the Ontario legislature in 1902 by nearly 200 majority; and if I do say it myself, I do not think a cleaner or fairer election was ever conducted anywhere. The fact that the government only had a majority of one after the election was possibly responsible for their attempt to open the constituency. South Oxford having at all times in the past been a Liberal constituency, I presume the government thought if they could void my election they would have little trouble in electing one of their own supporters. With the machine in charge they made the attempt. During the election trial I had as my counsel Hon. S. H. Blake, and I am about to read part of a letter which I received from him some years afterwards during the election of 1905. In that year I wrote him asking if he would deliver an address in South Oxford. He wrote back that it would be a pleasure for him to do so by reason of the fact that it was just fifty years years since his uncle, Dr. Connor, ran in that constituency; but he regretted that it was out of his power to do so. I may say that although I received this letter twenty years ago, it has never been published, but I feel in view of the serious condition of the country to-day it is advisable that I should place on record another expression of opinion from this great Canadian. I shall not read the whole letter because it contains personal references which I am a little too modest to place on Hansard. In part, he wrote as follows:

Possibly no breath that issued from the machine was so rank and poisonous as that which then escaped. As a lawyer it struck me as an attempt to strike a fatal blow to that which is of vital moment to every citizen—the administration of justice. Day after day Mr. J. B. Jackson, K.C., presented members of his brigade paid to swear you out of your seat, and day after day the news of the effort by these means to thwart justice was published from one end of our country to the other. It was proved out of Mr. Jackson's own mouth that he offered $650 to one man to procure the evidence to unseat you. It was proved that he went down to Toronto to take advice as to carrying out this portion of the plot. It was proved that after such advice he paid a portion of the money and made himself liable for the balance. For these amounts he drew upon the Toronto branch of the machine. The trial began on October 14, and, although it was adjourned and not finished until December 3, no voice of remonstrance was heard, but the government with all these flagrant misdeeds in every public newspaper stood ready to accept of the results hoped to be won by the poisoning of the springs of justice. Nothing ever drove home to me so forcibly the vileness of the methods approved and adopted by the government to keep them in power as the revelations from day to day presented on this trial. As I understand the matter, the great issue before the bar of public opinion to-day is—Shall the province sanction these and the like methods of carrying on a government or shall it stamp its abhorrence of such unrighteousness by the punishment which must be a great element in clearing the atmosphere of the vileness which so thickly pervades it

And so on. There you have the opinion of the Hon. S. H. Blake of this gang of outlaws who were carrying on in the province of Ontario in the manner indicated by the confession signed by Donald McNish and his solicitor, Mr. Aylesworth, a witness. It is one of this gang whose report has been tabled in this House, and to which the attention of the people not only of Canada but of Great Britain and the other dominions is being directed, towards remedying an alleged combine of ocean rates on the high seas. Are those the kind of commissioners the government have to rely upon to-day?

Let me give the House one other quotation on the same subject. I have here an editorial from the Toronto Globe of November, 9, 1903. After referring to the situation in Ontario, it proceeds:

> The present distress has not come by accident or chance, or as the result of a change of government policy, and not at all because of any growth of power or prestige in the opposition. **It has come through the cooling enthusiasm and the slackening effort of** not a few Liberals. And the secret of it all is in the discredited election methods sometimes resorted to and the activity of political parasites who make party service a means of private gain. Because of electoral corruption here and the prominence of party heelers there, Ontario Liberalism has lost something of its old-time self-respect, and its note of confident and public-spirited enthusiasm has lost something of strength and resonance.

Then, further on:

> There is but one thing open to the Liberals of Ontario, and that thing is their first and most pressing duty. The barnacles on the ship must be treated with an iron hand. The interests of the Liberal party are superior to those of any individual, and the interests of the province are supreme over all. Half measures will not avail. Neither the Liberal party nor the province owes to any man any position or reward not earned by honest and efficient public service.

What do hon. members think of that statement from the Toronto Globe, the official newspaper of the Liberal party, respecting this gang of outlaws who had been operating in Ontario?

Mr. ARTHURS: Who was their chief?

Mr. SUTHERLAND: Their chief was the man I have referred to as indicated by his telegram to McNish. I think I have said sufficient to convince the House that I was justified in pointing out to the Minister of Trade and Commerce a year ago the character of the man whom he was entrusting with this work, and I assured him at that time that it would be an easy matter to secure a reliable investigator if an investigation was required by the Department of Trade and Commerce. The minister simply ignored all protests. The right hon. leader of the opposition pointed out in detail some of the objections to the appointment of Preston, matters to which I have referred to-day and asked for something different. Preston was switched out of the country immediately after the West Elgin by-election which was held on January 12, 1899, and was appointed under an Order in Council by the Dominion Government on the recommendation of Sir Richard Cartwright, Minister of Trade and Commerce, as Superintendent of Immigration overseas. Observe the collusion between the Liberal Party in Ontario and at Ottawa. Preston operated in the West Elgin election held on January the 12th; he wired his congratulations to the members of the machine from Toronto on election night. The Order in Council at Ottawa was passed and dated the following day, January 13, 1899. His successor later on was also accommodated by being sent over to the Old Country as a trade commissioner. Both these gentlemen were afterwards sent to Japan and China by the government. This was the reward they received for their operations. In a debate which took place in the House in reference to the matter, the leader of the opposition of that day, Sir Robert Borden, referred to the defence put up by Sir Richard Cartwright, who claimed that the only trouble with these people was that they were not discreet; that they should have been more careful; that they should have looked under the bed, behind the doors and up the chimney, to see that they were not being hoaxed, that they were not being overheard in fact, that they were not being found out. Sir Robert Borden stated that it would have been better for the Minister of Trade and Commerce had he retired to his native parish and had never been heard of rather than that he should advocate such a policy, that a more damnable doctrine had never been more unblushingly avowed. These things took place in the parliament of this country in 1903, and to-day, in this year 1925, many long years afterwards, we are to be asked to endorse the recommendations of a man of this character, to pay some attention to a report which has been featured in the press and in this House but of which I know nothing whatever as it is not yet available.

This same Mr. W. T. R. Preston was employed by the present government on another commission three years ago. After the Minister of Labour (Mr. Murdock) would have us believe he had driven the trusts, mergers and combines out of the land, he was anxious to get after them on the inland lakes, A commission was accordingly appointed to investigate the shipping rates that were being charged on the lakes, of which Preston was a member, and subsequently legislation was passed by this government for the alleged purpose of controlling these rates. This legislation cost the farmers of western Canada $2,600,000 in 1923 and we had the spectacle of members of the government begging and beseeching American shippers to disregard the legislation referred to and to come to this country under promise that the law would not be enforced against them. This man Preston was the secretary of this commission also. All that has come of his efforts in connection with the regulations on control of freight rates on the Great Lakes has

been an increase in rates, the imposition of an enormous burden upon the settlers in western Canada, nothing more. And now in the Speech from the Throne this session we are asked to give our assistance to the Prime Minister and Mr. Preston, and the Minister of Labour—I presume he will be there, because you could not make a good job of it without him. We are asked to ratify a contract which it is claimed will result in driving all trusts, mergers and combines off the high seas. What a burlesque!

Preston arrived in England in 1899. Immediately an organization was formed known as the North Atlantic Trading Company, of which many of you have heard. "North Atlantic" seems to fit in pretty well with Mr. Preston's operations—he knows the north Atlantic so well; he knows Europe so well. This concern was in operation for several years without the sanction of parliament, and hundreds of thousands of dollars of the money of the people of Canada were paid to them. Finally the Auditor General's reports showed where the money was going and inquiries were instituted, people naturally wondered who constituted the North Atlantic Trading Company, to whom this money was being paid from the vote for immigration. An investigation was subsequently held and certain persons who were supposed to be able to give information on the subject were summoned to appear before the Public Accounts committee of this House. An effort was made to find out who were interested in the company, without success, because Mr. Preston and Mr. Smart, who was at one time Deputy Minister of the Interior and who was associated with Mr. Preston, both refused to divulge the names of the persons to whom the money had been paid. It was alleged to be a confidential matter between them and the members of the company, and it would not be advisable, they said, to give the information. A motion was moved in the House of Commons to have them appear before the bar of the House and be compelled to give the names, but the motion was voted down by the government majority and the information was not obtained. However, we have had considerable information furnished by others who were in the civil service at that time. Some of you may have heard of Mr. Alf Jury, who was at one time a candidate in the city of Toronto and was afterwards sent overseas as an immigration agent under Preston. Mr. Jury, swore on the stand that it was his firm belief that Mr. Preston was from the very beginning financially interested in the contract. He pointed to the fact that Mr. Preston went about Europe in the in-

terests of the company, personally engaging agents of the company in Scandinavia and in other countries. I have his statement here from which I quote:

> Mr. Jury wrote to Mr. Preston in 1905: "I have not got any gold mine in the shape of a "Canadian bureau" or a "North Atlantic Trading Company" etc. draw from. And Mr. Jury further writes to Mr Preston: "I should like to buy you at my price and sell you at your own. I would not trade with you then for either of your gold mines."

This was Mr. Jury's opinion of the man who was engaged in this work. He intimates clearly his belief that Mr. Preston was one of the parties who was receiving money from this company.

Lord Strathcona also took exception to the operations of the company. Writing Sir Wilfrid Laurier in May, 1906, he said the contractors:

> —would obtain the advantage without any great expense or effort to themselves of the movement which was bound shortly to take place as the result of our continuous educational work with the various agencies on the continent.

I should have pointed out before coming to this phase of the subject that the remuneration paid to the North Atlantic Trading Company was one pound for every immigrant from continental Europe over the age of twelve years who was going on the land or entering upon domestic service. In the discussion which took place in the House it was made clear, as Mr. Sifton said, that one pound was being paid for every Doukhobor, one pound for every Galician, and so on. Mr. Frank Oliver, then member for Edmonton, took very vigorous exception to what was going on at that time in connection with immigration to western Canada, and I cannot do better than read some extracts from Hansard in that connection. He pointed out with regard to the Galicians:

> It would be a very simple matter to overcome any particular settlement in the Northwest by foreign population. Every settlement in that country stands in danger from that influx of population. If it is not checked the whole of the northwest territories stand in danger.

Further on, at page 8524 of Hansard, he says:

> It is said that those people settle where other people will not, but in my part of the country they settle where other people have settled and where other people would settle in large numbers were it not for these Galicians. In fact, where these Galicians have settled some of the others have moved away.

An hon. member asked, "Why?" and Mr. Oliver replied:

> Because they are undesirable neighbours.

Again he stated, in 1901:

> In regard to the Doukhobors I wish to say, speaking of course without having such an intimate knowledge of them, but speaking on the general principle that any

people that are too good to conform to the laws of this country are too good to live in this country, and we do not want them at any price—

That was pretty plain speaking from a supporter of the government of that day with regard to what was being done in settling these people in the northwest. Further on he said:

There is another question that the people of the west feel more strongly on than this immigration question, and there is nothing that they more earnestly resent than the idea of settling up the country with people who will be a drag on our civilization and progress. We did not go out to that country simply to produce wheat. We went to build up a nation, a civilization, a social system that we could enjoy and be proud of and transmit to our children. And we resent the idea of having the millstone of the Slav hung around our necks.

Again in 1902 he said:

Our social system, our political system, our religious system are those which we have inherited, and under which we are trying to improve ourselves. Then if it is worth while to organize all these systems for the purpose of improving ourselves in this country, it is surely worth while to take means that our efforts shall not be to a certain extent rendered useless by the introduction of an element into our population which will have a contrary effect. If you will fill these prairies with people of different ideas, different aspirations and different views from our own, you are simply placing yourselves under a yoke. You are swerving your country from that destiny for which your fathers intended it, and which you fondly hoped you were achieving. I say that every undesirable settler who enters the northwest, who is, we will say, inferior to ourselves in his knowledge of the government, in his ideas of liberty, is a detriment to this country. I am given to understand that a new system is being adopted in regard to immigration from the British Isles. I am not familiar with the details of that system, but I will say that there is no possibility of adopting any system which could be less effective than that which has prevailed during the past years. I am satisfied that any system that is adopted will be an improvement.

This, Mr. Speaker, was from a supporter of the government of that day, criticising what the government were doing in settling these colonies of foreigners in western Canada. This North Atlantic Trading Company were not receiving a pound for each Britisher they brought out from the British Isles; they were not receiving one pound per head for every immigrant from France; they were not receiving one pound per head for every immigrant from Italy, but they were receiving for those from other European countries one pound per head. "One pound for a Doukhobor and one pound for a Galician" was evidently the slogan. As a result of Mr. Oliver's criticism a cablegram signed by the Deputy Minister of the Interior was sent, not to the North Atlantic Trading Company, but to Mr. Preston, in these words:

A bonus will not be paid any longer for Galicians.

Why should that be sent to Mr. Preston if he was not the head of the concern? Ask yourselves that question. Why did the Deputy Minister of the Interior here in Ottawa wire to Mr. Preston that no further bonus would be paid on account of Galicians? This company had been obtaining a bonus for these people who were coming here, as Lord Strathcona pointed out even without any effort on the part of the government or of this company. There was no check on them. $360,000 of the money of the people of this country was paid out to this company in that way. Mr. Frank Oliver was appointed Minister of the Interior shortly afterwards, and he cancelled the contract of the North Atlantic Trading Company, although it had still eight years to run, and Mr. W. T. R. Preston was transferred to Japan. But he still remained in the employ of the government. These are some of the things that should cause people to pause and reflect when considering Mr. Preston's activities. A motion came before the House questioning the squandering of money upon this North Atlantic Trading Company, and while the matter was under discussion Mr. Oliver informed the House that he had cancelled the contract. The motion was moved by the member for North Toronto, Sir George Foster. I have said enough to show the connection between the North Atlantic Trading Company and Mr. Preston. Some of the officials in the department, from the evidence they gave, were firmly convinced that Mr. Preston was the head and body and soul of the North Atlantic Trading Company.

There was also another firm operating bringing Jews to this country, headed by a man named Leopold. He had an office next to Mr. Preston in the government building in London.

Before Mr. Preston was sent to Japan he was very anxious to do something for his native province of Ontario and incidently for the North Atlantic Trading Company, in the matter of immigration, and particularly for the government which had given him such great opportunities to render service to his native province. Here is a letter that was placed on Hansard several years ago by the then hon. member for Frontenac, Dr. Edwards. It was written on government paper from 17 Victoria street, London, on October 18, 1901, from the office of the High Commissioner for Canada, and is headed W. T. R. Preston, Emigration Department. It is addressed to a provincial government official here in Ontario, who was engaged in that work on behalf of the Ontario government, and says:

I have your letter of a late date on emigration to Ontario. You incidentally say in the letter that you are opposed to indiscriminate emigration. Well, in that respect you agree with everybody else. I do not know

anyone who suggests, or who would propose, that there should be indiscriminate emigration to that province. Whatever is done must be done carefully, and any who are sent out must be well selected emigrants. But don't run away with the idea that only well-to-do people, or those with money, are going to emigrate. If you are going to keep up the populations in the old parts of the province you must be satisfied with sober, energetic and industrious emigrants. I know all you people are terribly afraid of the foreign element—

I notice that he is emphasizing the need of getting "the foreign element" in, not the British immigrant.

Upon that point I don't agree with you and have no hesitation in saying that a good class of foreigners scattered about the old parts of Ontario will do very much more towards preserving a proper agricultural population than those from England for instance. Politically speaking I believe the introduction of a hundred families or so into some of those close ridings with the connections which could be had and maintained here would easily preserve for us many doubtful seats in that province.

Sgd. W. T. R. PRESTON.

I shall not read the rest of the communication. Only a year ago I put the whole of it on Hansard for the benefit of the Minister of Trade and Commerce. This Mr. Preston entertained the idea of placing one hundred or so of these families in close constituencies. What a list of workers he could have selected from the people who were sent out to Canada by the North Atlantic Trading Company! I say that any man who would pen such a document to government officials in this or any other country is not a fit man to be in the public service of Canada and to be drawing money from the public treasury.

An hon. MEMBER: Who was that communication signed by?

Mr. SUTHERLAND: It was signed by W. T. R. Preston. It is his signature which is attached to the document which I quoted.

Mr. ARTHURS: Is he still a government official?

Mr. SUTHERLAND: He is still in the pay of this country but at the time this letter was written he was Superintendent of Immigration overseas. There was a general election in this country in 1911 and the Laurier government was defeated at the polls. One of the first acts of the incoming government was to perform the operation that Mr. S. H. Blake would have liked to perform many years before. Mr. Preston was decapitated politically and his head along with the heads of several other persons of like calibre went into the basket. Nothing further, or at any rate not very much, was heard of him until the war-time elections in 1917 when he again bobbed up as the representative overseas of the Liberal party in Canada in connection with taking the soldiers' vote. He was placed in charge of that work for the Liberal party, because the opposition were given the appointment of one-half of the election officials, and with such a representative as Mr. Preston it may be taken for granted that he did his work for them well. I hold in my hand a circular which was distributed amongst the soldiers. This was sent to me by a man who was serving at the front at the time. The circular in question is signed by "W. T. R. Preston (On behalf of the Liberal candidates"). The circular is headed:

To the Canadian overseas forces.

Vote for Sir Wilfrid Laurier and conscription.

There are a number of appeals in the circular and one of them is:

Do not be deceived by misrepresentations.

Opposite to this appeal the soldier who sent me the circular wrote "I won't." An arrangement was made to have cablegrams sent from the Liberal candidates in Canada to the soldiers from their respective constituencies through Mr. Preston. I have here a copy of one such cablegram which was also sent to me by a soldier from my constituency serving at the front. It is addressed to the depot at Shoreham and was addressed as follows:

Your vote solicited. Supporting military bill.

These are the methods that were pursued by this man who had charge of the voting overseas on behalf of the Liberal party. Was it surprising therefore that he drew up a lot of false charges which were presented to the House a few years ago by the present Secretary of State (Mr. Copp) who spoke for several hours in their support. However, the charges received but little consideration even by Liberal members, and they have hardly been mentioned from that day to this. Has the present government taken any steps to investigate any of these charges which were preferred by Mr. Preston? Not one. Nor dare they do so. They had no confidence in the charges, they had no confidence in the man who preferred them; and yet we are asked to place faith in this man, acting as the agent for this country, when he alleges there is a combine among the steamship companies on the north Atlantic. I do not know whether there is any truth in the allegation that these companies have been acting as the Preston report apparently indicates, because I have not seen the report itself; it is not yet printed. Why was this report not printed and placed in the hands of hon. members before this discussion was introduced by the Prime Minister? The subject dealt with is the most important fea-

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ture contained in the address. Is that the reason why the government is so insistent and so anxious that this debate be closed? Is that one of the reasons why hon. gentlemen on my left allow such insinuations to be scattered broadcast by the man of whom I have spoken? Yet, notwithstanding the importance of this subject the leader of the Progressive party says there will be a sigh of relief among the people when the debate is ended. I am sure there will be a sigh of relief from the Canadian people when they learn that no more characters of the Preston type are appointed to office in this country.

There are many other features in connection with this matter that I might refer to. I believe, if the Hansards containing complaints and debates with respect to W. T. R. Preston were placed one on top of the other they would make a pile ten feet high. In view of the voluminous character of the charges and debates you will readily understand it is hardly possible to do more than touch upon these matters in a general way.

Something was said by the Prime Minister and those who are associated with him about a general election. I believe that a government that has so absolutely failed to take means to meet the conditions which exist in this country ought to go to the people and not attempt to longer carry on. When the government admits, as it does admit in the Speech from the Throne, that it is unable to do anything, that we must stand still, wait and see what is going to happen—

An hon. MEMBER: No, they said there must be a pause.

Mr. SUTHERLAND: What the Prime Minister said was virtually this: "We have paused for the present but look out; you will see what will happen in the future if we get an opportunity." Sir, the leader of the government in the presence of the leader of the Liberal party of the province of Ontario, on several occasions lately made it plain that there is room in the Liberal party for all those whatever that may be, who are opposed to Conservatism, or the Conservative party. His declaration to all intents and purposes was this: "It does not matter whether they are red or whether they are yellow, they are welcome if they will come into the Liberal party with us." This is what the government desires and it is just as well therefore to talk plainly and let the people of this country know what is happening. It is well known that the present government is in power by reason of the support of a conglomeration of all the discordant elements that we had in Canada at the last election. It was not by reason of any particular policy which they advocated, because they had many policies. People did not pay any more attention to them than did the government of the day to the matter to which the Minister of Justice referred a year ago in connection with Mr. Tarte. They went out before the people of this province and other provinces at that time and they told them: "Notwithstanding the fact that we are advocating a reduction in the tariff, practically free trade, you do not need to fear. Why, we would not think of doing anything of that kind." I have Sir Wilfrid Laurier's own statement, delivered at a meeting in Toronto long afterwards in 1906, where he pointed out that they had made few reductions in the tariff and that the manufacturers of Toronto could sleep soundly because they had faith in the government on the tariff. This government comes into power, and the Minister of the Interior (Mr. Stewart), the minister from Prince Edward Island without portfolio (Mr. Sinclair) and the Minister of Agriculture (Mr. Motherwell) state: "We are endeavouring to do, by slow degrees, what we attempted to do quickly on two or three historic occasions," and they ask the people of this country to have faith, to have courage; they ask the unemployed to get out and hustle, as the Minister of Labour (Mr. Murdock) told them at Woodstock, as the government had to do. These are the methods that the government are taking to establish confidence when confidence is so necessary in order to overcome our difficulties. Our difficulties are great indeed, but with such tremendous resources as we possess, if we tackle them as a united force, with a common purpose, there is no reason why they cannot be quickly overcome. But we must quit this threatening attitude if people of means are going to put their money into industries in this country. They are not going to do so if it is to be jeopardized and placed at the mercy of a country to the south of us with the highest tariff in the world. Our farmers, our manufacturers, are handicapped; everyone in this country is handicapped, and we need a sane and stable policy to meet conditions as they exist. Personally, I would favour free trade if we could have free trade throughout the world. I believe that Canada could stand on her own feet under such circumstances, but we must face conditions as they are. We are living alongside of a neighbour which takes every advantage to make it difficult for us to trade with them. The people of that country are quite within their rights in doing this; but if you give them to understand that our policy is one for our own people—Canada for the Can-

adians—that when they adopt a policy of that kind, that we shall similarly retaliate, you will find that conditions will improve very materially in Canada.

Mr. H. C. HOCKEN (West Toronto): Mr. Speaker, I did not hear any merry quips or light persiflage from my hon. friends on the other side while the hon. member for South Oxford (Mr. Sutherland) was describing the activities of W. T. R. Preston. I take it that the members of the government and of the party on the opposite side are thoroughly ashamed of themselves in having in their employ a man of his type. If they are not, they ought to be, and if he comes under the control of the Minister of Trade and Commerce (Mr. Low), I would suggest that that minister give his attention to the villainous record of W. T. R. Preston and get rid of him just as quickly as possible. I have known this gentleman for many years and he has always been of the same kind. He is not fit to be in the employ of any public body, and the hon. member for South Oxford this afternoon has proved that to a demonstration. But the fact is that from the time Mr. Preston was dismissed from the employ of the government of this country—because of the change that took place—he haunted his friends of the Liberal party everywhere, and as soon as this government came into power,—within a week or two after the change of gov ernment,—W. T. R. Preston was again on the payroll. What hold he has upon the members of the government I do not know, but I cannot conceive of any man with a record such as he has being able to put a pistol at the head of any minister unless he held some minister in fear of exposure. I believe the Liberal party is afraid of what W. T. R. Preston could say about it, and that is why he is on the payroll of the Dominion government to-day. I do not understand how one who had been through the West Elgin election, the North Atlantic Trading Company and all the rest of those manipulations, could have the face even to ask for an appointment by his political friends. But I fancy that the hon. member for South Oxford has said enough, and it will not be necessary for me to discuss any further the activities of this gentleman.

With the exception of the hon. member for Saskatoon (Mr. Evans), the whole party to my left appears to be perfectly satisfied with the present policy of the government to stop any further reductions in the tariff.

Some hon. MEMBERS: Oh, no.

[Mr. Sutherland.]

Mr. HOCKEN: No protest has been made and apparently no protest is going to be made.

An hon. MEMBER: What did the leader say?

Mr. MEIGHEN: He did not say much.

Mr. HOCKEN: Their leader made no protest of any account, and he seems to have put something in the nature of a gag into the mouths of those who are following him. They have not said anything. During former sessions, almost every member of that party was on his feet, yelling for free trade and lower duties.

Mr. MEIGHEN: They have seen some of the consequences.

Mr. HOCKEN: But now the Prime Minister can say: "We are going to stop now; we have gone so far and we are not going to make any further reductions," and no objection comes from my left. Let me give to the House the idea that the hon. member for Saskatoon has about these reductions. It may be that the other members of the Progressive party think they are quite satisfactory. He says:

> But the one thing which is at the root of the whole evil is to remain as it is for the present.

He protests against that.

Mr. GARLAND (Bow River): Hear, hear.

Mr. HOCKEN: The hon. member for Bow River is satisfied too. He does not want any further reductions.

> No, even the Minister of the Interior (Mr. Stewart) is not to mention the "death knell of protection" this year, and the Prime Minister (Mr. Mackenzie King) states in his speeches that the government has gone far enough; the government is upholding the hand of the protected interests while ominous sounds of separation are heard from both the east and the middle west of this Dominion.

He speaks of it in this way:

> In spite of the much vaunted cut in the tariff last year—

We have to concede to the hon. member for Saskatoon the virtue of sincerity. He at least has made his position clear to this House, to the country and to his constituents. He is not going to renege upon his free-trade views, no matter how much the rest of the party with which he is connected desires to do so, and I think he is to be given credit for that.

Mr. MEIGHEN: Who made the deal?

Mr. HOCKEN: Whoever made the deal, it certainly was not the hon. member for

Saskatoon, but amongst the Progressives there are better dealers than that hon. member. There are some members who have a greater resiliency; they can bend a little more than he can; indeed, we have seen them in this House bend from one side to the other. Whoever made the deal or arranged this matter, I do not know. Of course, they would not tell me, although if they had told me I would not give them away. But certainly it appears as though someone made a deal on behalf of this party with the government of the day. When the Prime Minister (Mr. Mackenzie King) went west he made an appeal to them to come in: "You know, we are just like brothers and we think the same on this question. Come on in and let us all be one happy family". I do not know but that, if there had not been a "ginger" group or something of that kind, the marriage would not have taken place. And even had that been the case it would not have made very much difference in the votes that are cast in the House.

The Prime Minister tells us that the year 1924 has been a period of substantial progress. My, my! I wonder where he got that idea? He could not have got it from the manufacturers or from the farmers. People are not prosperous in the west, are they? No, there is no prosperity in the west; there is none among the manufacturers; and there is none among business men or merchants. Then where is this "substantial prosperity" of which the Prime Minister speaks? We find it in some statistics; that is the only place wherein we can find any prosperity in this Dominion. I am quite satisfied that the statement in the Speech from the Throne announcing this prosperity will be a surprise not only to business men but to the public generally. So far as I can judge, it rests upon one fact; we are told that the exports exceeded the imports and the inference is that we are prosperous. Well, I have heard that kind of talk ever since 1878 but I have never, nor has any other man found any prosperity in mere statistics; nobody can tell from statistics of this kind whether he is doing well or ill. The prosperity of a man is something that is not to be demonstrated by way of figures from the statistical department of the government. People know whether there is any money in their pockets or any food in their stomachs, and the prosperity that does not manifest itself in these ways does not exist. It will not satisfy the public, therefore, merely to tell them that they are prosperous.

If times were good it would not be necessary for the Prime Minister to talk so much about the balance of trade; and as to the balance of trade the fine figures which he presents and which he thinks prove his case merely show, in my judgment, a depletion of the natural resources of the country for the benefit of the workmen on the other side of the line. The favourable balance of trade is made up by exporting our raw materials to be turned into the finished product in the United States. If you take away these raw materials from the exports, then the Prime Minister will find the balance on the wrong side, undoubtedly.

My opinion, whatever the opinion of others may be, is that it is not good for a country to export its natural resources in the unfinished state, but rather to manufacture them and send out the finished article. This is more important in view of the fact that there are certain finished products which we can sell to the full limit of our capacity to produce them. For example, if we manufactured our pulpwood into paper, instead of shipping it out as cordwood or pulp, we could sell every ton that could be produced in all the mills of the country, and there would be as many more mills operating at full capacity. Is it worth while to have half a dozen more mills in this country? My hon. friends talk about exotic industries. Is the paper industry in this Dominion exotic? Should it not be built up and strengthened? Is it not indigenous to the country? Then why continue a policy that is injurious to that industry instead of adopting a policy that will increase the output of our natural resources? The Prime Minister says that we shall make the country prosperous by developing the natural resources; and then he maintains a policy that prevents us from doing that by sending the natural resources out of Canada in the raw state. The export of these resources in the unfinished state has this disastrous effect, namely, that we follow it up by sending out the manhood and womanhood of the country. We export our pulpwood and then export the paper-making mechanics who go to the United States and turn that pulpwood into paper. I do not know how any country can stand that kind of exportation which is one that we cannot boast of; rather, it is to be deplored. You could make the balance of trade enormously greater if you could put a money value on our population; if you could say that we exported to build up the United States so many men at so many thousand dollars each. If you did that you could increase the balance of trade by millions. But, of course, it is difficult to determine how much a man is worth to a country. The value of some men is very great while the value of others is less con-

siderable. And unfortunately the men who are of greatest value sometimes get the least encouragement. If a man is poor he is a failure, and if he is rich he is a menace, and we ought to kill him. But some of the men who create the big industries are a thousand times more valuable than those who want to take everything from them which they have acquired during a lifetime of earnest and successful effort and application of a genius for organization. If this country was prosperous in 1924 I want to know why it is that so many people had to go across the line to get work. According to our statistics 148,000 immigrants came into the country while 181,973 persons went out. In other words, more people went out than came in, and the type of man who went out was the very best we have or can have in this country because he was native born. In my opinion the native born Canadian is of greater value than any other citizen, because he knows the country.

Mr. McMASTER. Oh, oh.

Mr. HOCKEN: Why the hilarity of my hon. friend? Now this is what we find, Mr. Speaker. The Registrar General of Ontario reports that he is signing 150 birth certificates every day for the admittance of Ontario-born people into the United States. About 100 are signed in duplicate, being required for those who intend to remain there. He reports also that more than half of these are married men. This means that if only half are married men the total daily exodus from Ontario is nearly three hundred. This is not guess work; the figures are given from the certificates signed by the Registrar General of Ontario. Now, this province has roughly one-third of the population of the Dominion; therefore if similar conditions prevail in the other provinces, we are sending out of this country at least 500 native born Canadians every day. How long can we stand this drain? Is it not the duty of government to be apprised of the seriousness of the situation and to take adequate measures to stop this exodus? I do not know of anything that is worse than this daily loss of our native born population.

And it is followed up, Mr. Speaker, by the closing of our factories in almost every part of the Dominion. If you want to find out the state of trade in this city, ask the merchants on Sparks street if times are good; go to any of our manufacturers and ask them if they are getting business. One of the largest of our mercantile firms in Toronto, the third in size, which had been in existence for seventy-five years, and which was able to ride the storm of 1878 and the storm of 1891, was not able to get over 1924; the firm of W. A. Murray & Co. has disappeared. A similar disaster happened in Hamilton, where one of the oldest firms—a sort of co-operative firm, too, a firm in which most of the older employees held considerable quantities of stock—was driven out of business; the Sanford Company that had the Oak Hall stores throughout Canada, suspended business last year. Is that proof of prosperity? Can the "favourable balance of trade" satisfy these people whose capital has disappeared? Can it satisfy the thousands of employees of these firms who have now to look for work elsewhere? It is perfectly futile to quote statistics to them. If you want any further evidence of depression, read the advertisements in the papers of forced sales—"must go out of business"—in practically every city of the Dominion. Why, Sir, it has become a matter of first-page news value for the newspapers if a factory is working full time. I noticed the other day one of our city newspapers gave its largest heading to an account of a factory in Hamilton that is actually working full time. Astonishing! With wheat at $2 a bushel, too. I do not know whether any factory in Toronto is working full time, but if so, there are mighty few of them. But of course that does not matter; Toronto gets along some way or other. But we have reached a sad estate of affairs when the general condition of industry is half-time or failure altogether and when it is a matter of first-page news that a factory is working full time.

And of course that reacts on employment. My right hon. friend the Prime Minister (Mr. Mackenzie King) gave the House some statistics to prove that unemployment is not as bad as it was. Well, let him go over to the corner of Wellington and Bank streets and he will see two or three hundred men standing around envying those who are at work at the dirty job of tearing down those buildings and loading the debris into wagons. Those poor fellows have nothing better to do than to stand around the better part of the day envying their working brothers; and some of those onlookers are skilled mechanics. You have this condition of affairs almost within earshot; but you can get it much more obtrusively in some other places. I have a statement from Montreal, given on the authority of the Emergency Unemployment Relief Committee of that city, and I am sure that my hon. friends opposite will not desire to digest more than this short paragraph:

> Reports from forty local trade unions show that of a membership of 48,605, 9,324 are unemployed, 22,463 are working part time only, and 4,348 have left the city.

And my right hon. friend offers statistics to those people! The Montreal Star is a little more humane and considerate—it gives them a meal; while others are opening soup kitchens which will provide the unemployed with something more satisfying than a table of statistics. To my mind the Prime Minister who, after surveying the unemployment in this country, offers the poor fellows nothing but statistics, is not showing that appreciation of the seriousness of the situation which we have a right to expect from a man in his position. The condition is worse than it was last year, for if he is able to show by some index number—which is not a very satisfying diet for hungry men—that there are a few less unemployed now than last year, it must be taken into account that during the spring, summer and fall season of 1923 work was plentiful over practically all this part of the Dominion, and those who were working during that time were able to save enough to tide them over the winter of 1923-24; but last summer unemployment was extensive all over Ontario—I think all over the provinces to the east as well—and those who ordinarily would have worked through that period and saved enough to carry them through the winter had to start this winter with their financial resources entirely exhausted. Indeed they were in a much worse position, calling for much larger expenditures upon relief than we have had to meet at any time in the past. I can take you back, if you like, to 1878, but our population was small then, and while our unemployment may have been proportionately as great, it was not nearly as serious a thing to deal with as the problem we have to-day. Yet the government has nothing to give the unemployed when they come down here asking for relief; they are told we cannot do anything—"Go back to your province or to your municipality."

Mr. MEIGHEN: The British North America Act.

Mr. HOCKEN: Yes, the British North America Act covers a multitude of sins, but it cannot cover the failure of the government to consider humanely the needs of the working people of this country. The Prime Minister should, I think, have shown at least some desire to contribute, proportionately, if you like—proportionately is right—with the provinces and with the municipalities in the relief of unemployment. It is all right for him to say, "As soon as possible we will start some work," but in the meantime these people are starving and the municipalities have to spend hundreds of thousands of dollars to give them bread, to give them charity. If they have to be fed this government is as much responsible as the municipalities or the provinces. I am with the Prime Minister when he refuses to pay doles. I hope the day will never come in this country when doles will have to be paid. But there come emergencies when men are hungry, when children are unclad and there is distress in the home, and that is the condition to-day. There is no principle of government that should not be set aside to meet that kind of emergency. But the government did not do that; the deputation that came the other day were sent away empty handed, without a word of comfort or of hope for the future.

Mr. MEIGHEN: Except the British North America Act.

Mr. HOCKEN: Well, the British North America Act does not satisfy the cravings of the stomach.

I am going to quote the Globe, Mr. Speaker. I do not know whether the Globe has the weight with the government of the day that it used to have, but it has been a great newspaper and is a good newspaper yet. This paper carried on Saturday the story of a man who had been trying to help another fellow to get work. He says this:

> Having the price of a paper, we didn't have to go to the office to scramble for a peep at the advertisement page. Instead, seeing two ads that sounded likely, I hailed a passing taxi and told the driver to get us to the first address in double-quick time. I wish you could have seen that place when we got there. A rugby scrimmage would have had nothing on the pushing, fighting mob that was trying to beat its way into the factory. The second place had been just as popular, too, for we got there just in time to see a notice posted to the effect that the position had been filled.

A "pushing, fighting mob" for one job! And he says further:

> But there are three more months of winter to be got through. Is there nothing before him but that soul-grinding hunt for work which doesn't exist, and that miserable begging of the social agencies for the bare necessaries of life?

And that man is offered the British North America Act! The Montreal Star is feeding these poor people and is to be highly commended for doing so. In Winnipeg they are feeding 2,000 people a day, according to my information, and in the House of Industry at Toronto they are spending $20,000 a month to feed people and to give relief. One little mission in the downtown section fed three hundred men the other day. There were a hundred others waiting for a meal who could not get into the place, and some kind-hearted citizen took them to a restaurant and fed

them. Montreal, Winnipeg, Toronto—the same story; distress of the worst kind. And this government is doing nothing. I submit that the policy of the government is responsible for this condition of affairs.

Not only is the House of Industry in my city full, as are the missions where the men lie all night to get out of the cold, but the police stations are filled with people who have no other place to go to seek shelter—the down-and-outers. What is the use of talking to these people about lowering the cost of living? What is the use of talking about the cost of living to people who have not any money, who have not the price of a bowl of soup? Besides, nothing that this government has done has reduced the cost of living; it is just as high as it ever was and it will not go down—it cannot go down—until some reduction in taxation takes place. I wonder if my hon. friends to my left are aware of the taxes that are paid? I have just made a little list of the different heads under which they come. The taxes paid in every industry make the cost of the products of those industries higher than they otherwise would be. If a man is running a factory of any kind he must at least break even, or quit. Of course he can carry on for a while, as thousands of our industries have been doing for the last year and a half. Upon their reserves; but we have got to the point where the reserves are pretty well exhausted, they are not going to last very much longer. A man in business now has to pay to the federal government, the income tax, the sales tax, the stamp tax, the receipt tax; to the municipal government, income tax, business tax, real property tax, and local improvement tax; and to the provincial government, the workmen's compensation tax. By the time he pays these nine taxes and has added them to the cost of what he has to produce, you can easily see why prices are higher than they otherwise would be. While we are paying taxes at this rate our neighbours across the line are paying about half as much; and then we expect that the Canadian industry can compete with the American industry, apart altogether from mass production and the other advantages in the size of the market that they have over there. If it is the policy of this government, and if my hon. friends to my left think it would be a good thing, to wipe Canadian industry off the map, then they should continue this policy, but if they realize that no country can be great, no country can be prosperous in the best sense of the word that has not industry as well as agriculture, then they will do something to stop the flow of manhood

[Mr. Hocken.]

to the other side and to stop this impossible competition that our manufacturers have to meet.

Mr. FANSHER: Put on more taxes, I suppose.

Mr. HOCKEN: Well, if they put on just one or two more taxes there will be an end of all industry in this country. If my hon. friend knows of any additional tax I would like to hear of it, because I would like to know in what other way we can be taxed. With the 5 per cent sales tax and all the other taxes, it is pretty hard to live.

Among the industries that are ruined by the present policy is the woollen industry. I read in the Pembroke Standard the story of the shutting down of the Pembroke Woollen Mills. It says:

> The story must not be mixed with politics—
>
> I do not see how you can keep it out.
>
> —for the tragedy is not being told with that intent. The proprietors of the Pembroke Woollen Mills are Liberals, and the late owner was a gentleman who had done his share for party success, so it is not a partisan cry but the bald fact with regard to the textile industry in Canada; it is not being strangled to death, but bludgeoned to death.

That does not come from some wicked Tory or from some pampered manufacturer. It comes from the Pembroke Standard, which I presume is a Liberal paper, from the care it exercises to square itself with the party before it commences to speak.

Mr. GRAHAM: My hon. friend does not know the community.

Mr. MEIGHEN: Does the minister say it is not?

Mr. GRAHAM: I have said what I have said.

Mr. HOCKEN: It may be like the Brockville Recorder-Times or the Stratford Beacon-Herald, which are both neutral papers.

Mr. MEIGHEN: I think the hon. member for Bruce could likely afford some information. The editor came from his county.

Mr. HOCKEN: The Jefferson Glass Works, in our own city, which employed 475 men, and had a payroll of $10,000 a week, has had to close down by reason of the unfair competition it has to meet. The Canadian Products of Windsor, a plant put in at close to $7,000,000, employing 2,000 people and spending $72,000 a week in wages, has had to close down, and the product that was formerly turned out by their factory is now being made at Battle Creek, Michigan. Of course, nobody is to blame, my hon, friends opposite say.

Mr. BALDWIN: Does the hon. member know that a quarter of a million dollars is now being put into a glass factory right within sight of this House? Does he also know that the Financial Times of Friday last, the 13th, said that the Dominion Textile Company is working ninety per cent full time and is very prosperous? Now that sterling is almost at par it makes it very much better.

Mr. HOCKEN: That is just what I said, Mr. Speaker.

Mr. BALDWIN: Oh, no.

Mr. HOCKEN: I have said that it is a matter of first-class news importance that any factory should be working full time. My hon. friend says the Dominion Textile Company is not working full time, and although it is not working full time, he gets up to make a point of the prosperity of this institution that has not got enough business to give its employees full-time work.

Mr. BALDWIN: Is not ninety per cent a large average?

Mr. HOCKEN: It is a pretty good average, but my hon. friend will find, if he goes into the textile business, that that is one of the very few factories that are working full time. Let him go to the knitting mills of this country and find out if they are working full time.

Mr. BALDWIN: Let me give my hon. friend the words of a large manufacturer just one week ago. He told me that the woollen business was first-class, and his business is not sixty miles from where we are.

Mr. HOCKEN: I invite my hon. friend to reply to my remarks. He will have ample opportunity unless he, like my hon. friends to my left, has a handkerchief stuck in his mouth to prevent him speaking any more. He will have a chance later on to speak in this debate.

There is one other subject that causes me some concern. I attended a luncheon during September of last year, where I heard Sir Henry Thornton make a speech, and I was greatly impressed with one remark that he made. He said; "I think the government of Canada should find the biggest and most capable man there is in this country and put him in charge of immigration." Nothing, he said, "is required in this country so much as immigration." Well, what have we got? We have no Minister of Immigration in charge of this important work, according to Sir Henry Thornton, and I am sure the Minister of Railways (Mr. Graham) will agree that Sir Henry Thornton is one of the greatest authorities we have in this country on colonization, transportation and so on; yet we have no man at all as head of the Immigration department, looking after the immigration interests of this country. My hon. friend (Mr. Robb) who is the titular head of that department is also Acting Minister of Finance. I would like the House to consider whether a man who has to perform the arduous duties of Minister of Finance, without having the twenty years of experience that the titular minister of that department possesses, has not got enough to do looking after that department alone? Has he any time to attend to immigration? I wonder if my hon. friend the Acting Minister of Finance ever goes into the Immigration department? I would not expect him to, Mr. Speaker. Well then, the work is left entirely in the hands of officials without any directing head, and without any government policy so far as I can discover. And when you get into the department what do you find? Why, they let a man go who had experience, who had capacity, who showed himself efficient in the performance of his duties. He was shifted out into the Canadian National Railways Colonization Department, and a man brought in in his place who had been a trade commissioner in South Africa, a man absolutely without experience in immigration.

Mr. ROBB: I infer that my hon. friend is trying to create the impression that Dr. Black, the former Deputy Minister of Immigration, was crowded out. Let me say now that Dr. Black voluntarily resigned as Deputy Minister of Immigration, and acting for the government I asked him if he would accept an increase of salary and stay on. He said, "No, I am offered more than the government will allow you to pay, Mr. Robb." And I have Dr. Black's letter expressing regret that he had left the government service.

Mr. HOCKEN: I am very glad to hear that from the Minister of Immigration, and I give him full credit. I express my appreciation of that treatment of a man of Mr. Black's capacity. But, surely, after he had gone there were men in the department who had had experience, who had had knowledge of all that had gone forward, and who would have been more acceptable to follow him. I do not know anything personally about the present Deputy Minister of Immigration, I have never met him; but surely experience is required in the deputy head of any department of the government, and why a man should be brought from South Africa to act as deputy minister over an important department of that kind it is difficult for me to understand.

Mr. MARTELL: My hon. friend has referred to the fact that there was no minister in charge of immigration, and to the present Deputy Minister of Immigration. I think it is a great thing in favour of this government that we have a man of sufficient ability to look after two departments under the leadership of the Prime Minister. What is the fault with Mr. Egan, the present Deputy Minister of Immigration? Will my hon. friend come out in the open and tell us his reason?

Mr. HOCKEN: I am giving the only reason I have.

Mr. MARTELL: Very likely.

Mr. HOCKEN: Mr. Speaker, will the hon. gentleman accept my word?

Mr. MARTELL: Certainly; I respect the hon. member.

Mr. HOCKEN: I say it is a mistake to take a man without experience and put him in the most responsible position in a department of that kind. I do not think you can get away from it. It is a position that requires experience.

Mr. ROBB: There might seem to be some colour to the impression my hon. friend would give, to one who does not know the conditions as I know them. The reason why a man was brought from the Department of Trade and Commerce and made Deputy Minister of the Department of Immigration was that I discovered there was so much jealously in the department among the higher heads that some of them were not speaking to each other.

Mr. MARTELL: We get lots of that.

Mr. HOCKEN: We are not getting immigration. My hon. friend the Acting Minister of Finance evidently had not sufficient courage to exercise his own judgment and say: Here is the man for the job.

Mr. ROBB: That is exactly what I did do.

Mr. HOCKEN: I do not see it that way. I agree with Sir Henry Thornton that there is nothing so important in this country at the present time as a well-devised and energetically pursued immigration policy. If we could get fifty per cent more of the right type of people into Canada than we have at the present time it would solve every problem that is facing our country to-day.

Mr. KYTE: Would it not open more soup kitchens?

Mr. HOCKEN: I do not think so. If we had fifty per cent more population our National railways would not be rolling up deficits but would be yielding a surplus, and that surplus could be applied to the reduction of freight rates.

Mr. MARTELL: Keep clear of the National railways.

Mr. HOCKEN: If we had fifty per cent more population there would be that much larger number in Canada, spread over the country, to help to bear the burden of taxation and in consequence that burden could be lessened.

Mr. MEIGHEN: We would have to get jobs for them.

Mr. HOCKEN: My right hon. leader says we would have to get jobs for them, but I take the view that every family suitably settled in the country represents that much more work. There might be difficulty in the newcomers getting adjusted, but almost every immigrant who comes to a new country experiences more or less difficulty. The adjustment would take place and the immigrants would settle down in a short time and become excellent citizens.

At six o'clock the House took recess.

After Recess

The House resumed at eight o'clock.

Mr. HOCKEN: Mr. Speaker, when the House rose, I was making some remarks on the question of immigration. and the thread of my argument having been broken, I shall tie a knot in it by pointing out that while I am strongly in favour of an aggressive and energetic immigration policy, I think the first thing the government ought to address itself to is to retain the population which we have in this country at the present time and to endeavour so to provide that there will be work for our people who are now leaving the country at the rate that they are. May I repeat that the best population we can have is that which is native-born, practically indigenous to the soil, accustomed to our conditions, and I should like the government to reconsider its policy with regard to the preservation of the industries which we have here and, if possible, the development of others.

I wish to say a word about the remarks which the hon. member for Qu'Appelle (Mr. Millar) addressed to the House. I regret very much to hear from him that there is a feeling in favour of secession in western Canada. I hope it is not as serious as he leads the House to believe. When I review the

record of the west during the war, I am loth to believe that there is any serious desire upon the part of the people inhabiting that portion of the Dominion to separate from the rest of Canada and particularly to separate from the Mother Country. When I asked him whether he intended the House seriously to believe in the prospect of secession, he said: It is very much more serious than the general public appreciates." That is a very sad state of affairs, because notwithstanding all that my hon. friends from the western provinces may say, the fact is that the eastern provinces of Canada, what are called the central provinces, have made enormous sacrifices in the past and are making them to-day to give to the agriculturists of western Canada every possible facility to carry on their work properly.

I am old enough to remember the time when there was no population in the west, before the Canadian Pacific railway was built, and to remember too the strain that was put upon the financial resources of this country to build that railway. If the hon. member for Saskatoon (Mr. Evans), who complains of lands having been given as a subsidy for the building of that road, had been living in this country at that time, he would, perhaps, be better able to appreciate the reason that existed for that method of financing the railway at that time. I join with him in believing that under anything like normal or ordinary circumstances, it is a mistake to give the domain of the country for works of that kind; but as I look back to the time when the Canadian Pacific railway was built I realize that that was the only way in which we could have got the railway which has done so much to develop western Canada.

I found in the remarks of the hon. member for Qu'Appelle one source of satisfaction. He wants to know: Is there any reason why we cannot get together, unite our forces, bring our best brains to bear on these problems and apply the remedy so quickly that the talk of secession will disappear? If there is any way by which the representatives of the various provinces of Canada can get around a table and agree upon a policy which will be acceptable and loyally worked out by all parts of this Dominion, that is the most desirable thing we could do. You cannot get far in any country unless you have the people united, and our country is so widespread that it becomes exceedingly difficult to bring about that state of unity that is so desirable and necessary in building up a great nation. Providence has endowed us more richly perhaps than any other country in the world. It rests with the people of Canada, then, to take advantage of the opportunities put in their way to create here a great free and prosperous state. That we must be united as to policy is one of the essential requirements of the situation. I do not suppose that any part of the three divisions of the country can secure a national policy such as would be most desirable to that particular division. There must be a compromise and we must look at the Dominion as a whole and not as three separate sections of one country. I feel satisfied that if that could be brought about all the talk about friction and secession and that kind of thing would cease.

I have a proposition to submit which I had originally intended to put in the form of a resolution, but when I looked at the order paper and saw there about thirty motions standing in the names of hon. gentlemen to my left as well as about twenty more from other sources it occurred to me that if I did add my name to the list my resolution might not be reached after all. And all that I could do with such a resolution would be in any case simply to bring the matter to the attention of the government. I venture, therefore, to take this opportunity to present my views on the particular proposal I have in mind. As I have observed, there is nothing so desirable in this country as national unity. I do not think that this can be attained over night, but some effort should be made and some policies adopted which would work to that end, anyway. What I have to submit, then, is this, that this parliament should annually make a grant of money sufficient to enable one hundred children from each of the various sections of Canada to travel from one end of the Dominion to the other. These children might be selected on the winning of a scholarship in the rural schools of the provinces, that scholarship to consist perhaps in a two months trip throughout the country. I would select one hundred children from the Maritime provinces, one hundred from the province of Quebec, one hundred from Ontario and one hundred from the western provinces, and take them from coast to coast. I venture to suggest that this would be a liberal education, and the children would go back to their provinces better Canadians. They would understand that they were not natives of their own particular province merely, but that they were growing up to be citizens of what ought to be in the near future one of the great nations of the world. It would inspire them to do their best in whatever walk of life they might be and would make them better

acquainted with the people in every part of the Dominion. What could be of more educative value to a group of children from Saskatchewan, say, who were born and brought up there up to the time that they had earned such a scholarship? Those children would see the provinces of Ontario and Quebec and would learn something of the manner of life and the methods of livelihood of the people in the places they visited; and they could go to the Atlantic coast, staying such length of time as was found possible, under proper direction of teachers or instructors, or men who had been specially selected for their ability to make the greatest use of such an opportunity. Such an undertaking would not begin to show results in a year but I venture to say that in ten or fifteen years' time, after seven or eight hundred children had travelled up and down the country every year, the admirably useful effects would be apparent to every observer in the country. It will be argued that this parliament has nothing to do with education, and I admit that at bottom this is a matter of education. At the same time, it seems to me to be something more than education in the ordinary sense of the word, and I submit the proposal to hon. members for their consideration. If the government really desire to do something to bring about greater unity of sentiment throughout Canada I think they should carefully examine this suggestion. The cost, no doubt, would be considerable, but in my judgment it would be justified by results.

Mr. EULER: Would you not obtain more immediate and practical results if you sent delegations of grown-up, intelligent men?

Miss MACPHAIL: And women.

Mr. EULER: And women, too.

Mr. GRAHAM: They will follow.

Mr. HOCKEN: I do not know how the hon. member (Mr. Euler) would make the selection. It is to be presumed that to some extent at least men in business have an opportunity of travelling from one province to another.

Mr. EULER: Many have not.

Mr. GRAHAM: Would it not be cheaper and more practical if the members of parliament themselves would travel on their passes and see their own country first?

Mr. HOCKEN: I presume that was one of the purposes of the passes, and I may inform the minister (Mr. Graham) that I have personally made use of mine, as I know he has done also. The minister has opportunities now of travelling under comfortable conditions.

Mr. GRAHAM: Beautiful.

Mr. HOCKEN: If he would give us private cars we would all travel too. I agree that the members of parliament should, and to a considerable extent they do, make use of their passes to enlarge their knowledge of the country. However, notwithstanding what hon. gentlemen have said, I still think that the plan I have suggested is the best that could be submitted. We have to begin a thing of this kind with the rising generation, who are susceptible and who will learn things in their youth which they are not likely to forget. They would be anxious to go back, having once visited places of interest, and it would inspire them with a patriotic feeling towards the rest of the country. I am sure that the experience of such a trip would prove of great value not only to them but to their fellow students. I leave the suggestion with the members of the government for consideration.

There is one other matter which I intended putting on the order paper in the form of a resolution, but I thought it would be better to bring it before the government on the present occasion. Two years ago I addressed the House on the question of encouraging the magazine industry of this country. No one can tell to what extent the exodus from Canada is brought about by the reading of United States literature. In my judgment it is due very largely to such reading. Our young men and young women have no other magazines to read, with the result that the United States is presented to them in every magazine they read as the land of promise, this is pounded into them issue after issue, and eventually, if they move at all, instead of moving to another part of Canada they go across the border. My hon. friend the Minister of Railways (Mr. Graham) will know from his experience in journalism that the only way you can get a man to absorb an idea is to iterate it over and over again. That is exactly what is done by these United States magazines. That that country is a good place to live in, is a place where success is to be achieved, is repeated over and over again to our young men and young women, and while, as I say, it is impossible to determine its exact effect, I do not think any reasonable man would deny that it must have a very great influence upon the minds of our young people. There is the other fact, that we allow a great deal of magazine literature to come in here that should never be published at all. As a matter of fact, the United States is considering measures for the purification of its magazine and periodical literature. Well, at least we should not admit that kind of

stuff. Then there is the other fact, that many of these magazines are 60 per cent advertising matter. If that advertising came in separately it would pay a duty of 15 cents a pound; mixed with stories and articles on various subjects it enters free. This works an injury to every Canadian manufacturer who is advertising, and it works an injury to the publishing business of this country. I submit that in view of all the evils which I have pointed out—the bad effect upon our young people, the unfairness to the magazine publishing industry and the manufacturing industry of this country, the government ought to do something. When I spoke on this question before the Minister of Finance (Mr. Fielding), who unhappily is not able to be with us now, expressed approval of the proposal I then made, and I thought that was a pretty sure guarantee of something being done along the lines I had suggested. But nothing has been done. So I venture again to bring the matter to the attention of the government, and again to suggest that it would be good, sound public policy for the preservation of Canadian ideals in our young people to do the decent thing by an industry that has no protection, that is even met with taxes on its raw material, and that cannot survive unless it gets a chance to live through appropriate action by the government. I have witnessed scores of magazines started in Canada, but they have all failed. The very best brains of Canada were employed upon them. Some of the men who were involved in those failures are now in the United States engaged in the magazine industry. The editor of the Ladies Home Journal, the highest class magazine they have over there, was trained on MacLean's magazine in Toronto. We have the editorial ability, we have the writing ability, we have the artistic ability, but we cannot possibly compete with the flood of pernicious magazine literature that is sent in here from the United States. I should not say pernicious literature, because much of it is very good and would always come in. I do not care how high priced a book or magazine may be, if it has value in it people will buy it. And those people could afford to pay any reasonable tax that might be put on American magazines in order to make possible the continuance of the industry in this country. I therefore leave these two matters, both of which have an important bearing on the question of national unity, to the favourable consideration of the government.

Mr. J. L. STANSELL (East Elgin): Mr. Speaker, before entering upon the subject of the Speech from the Throne, I should like to endorse the final suggestion of the hon. member who has just taken his seat. It must be apparent to every true Canadian that the flood of magazine literature from the country to our south is not in the best interests of Canada. We have only to look at the number of magazines and the quality of some of them on our news stands to realize that their perusal month after month is not likely to develop the best class of young Canadian manhood and womanhood. I am not a newspaper man, and therefore do not propose to offer a remedy, but I do say that something ought to be done to encourage Canadian authors and publishers. In addition to the evils that may be traced to the reading of many American magazines, there is also an economic menace from the volume of advertising in such magazines attracting Canadian business that should be legitimately supplied by our own manufacturers.

The debates on the Speech from the Throne have for the first time in my recollection been carried on largely by one party in the House. Is it not worth while to ask ourselves if the people will not be curious to know just why the debate has become so one-sided? In this connection it may not be out of place to inquire the purpose of this debate. We must remember that very few of our electors have any opportunity to visit here, and the only way in which they can ascertain whether we have any grasp of the national situation today, and what remedies we have to offer for anything that needs treatment, is by the printed word that goes out from this place. Many have spoken of the debate as a waste of time. This opinion is, I think, mistaken. Properly conducted, it is not a waste of time. It is true some speeches might very well be shortened, the ideas enunciated might be very well crowded into fewer words, but after all I believe the view of the electorate is that the debate on the Address in reply to the Speech from the Throne serves a useful purpose. The Speech placed in the mouth of His Excellency usually deals with national affairs and outlines what legislation will be introduced in an endeavour to improve the condition of the body politic. It is just like any other motion that comes before the House and is debated: the opposition exercise the undoubted privilege and right of criticising and bringing before the public what they think the true situation is and what, in their judgment, is the proper course to pursue. As the result of this the public form an intelligent opinion of what their representatives have in the way of a grasp of the situation and what the different parties have in the way of solution for any existing evils. If we rob parlia-

ment of this we have done a great deal to rob the public of their share in the work of this House. We are their elected representatives and I feel sure that we are not doing our whole duty if we do not come here with some intelligent idea of what conditions are, of what conditions are that are wrong, and of what the solution should be.

That there is a desire at this particular time to shorten the debate, to limit discussion, there is no doubt. The silence of nearly all those on the government side is eloquent testimony to their desire, at least. What is still more strange is the corresponding silence of the party to my left. They have not always observed this anxiety for economy of time. This seems to be the first time they have completely bowed to the will of the government in this respect. I have been asked time after time by some who are interested and who voted to send the third party to parliament, just what my opinion was of the independence of that group. I have replied. I thought in all fairness, that with some notable exceptions many of those elected to that group were trying, as far as possible, to take an independent attitude on public questions. But I cannot see, Mr. Speaker, how I can give that same answer after this. It is strange to me, and I think the public will regard it as equally strange, that when the government evince a desire to shorten this discussion or to have practically no debate at all on the Speech, the Progressive party are so suddenly obedient to their will. As I have said, there must be a reason, and we will inquire for the reason.

A great deal has been said during the past year about pessimism in connection with public affairs. We of this party have been accused of being pessimists. I wish to say right here, and I believe I am speaking for every member of our party, that we have no reason for being pessimistic in regard to the future of Canada. But we do have a right to be pessimistic, to be doubtful of the means adopted by the present government working toward that end. And accordingly we have the right to suggest what we think is the proper course. If there has been such a thing exhibited as pessimism within the past year I want to say that the present government have given most glaring examples. As an illustration of pessimism I do not know of anything so striking as this empty, spineless document I hold in my hand, the Speech put into the mouth of His Excellency. I propose to prove that. Most of us remember what the Speech of last year was. You will recall that it started very much as this one does.

[Mr. Stansell.]

It asserted first that Canada was attaining prosperity and making great progress. It referred also to the cost of living and the efforts the government was putting forth to reduce it. It also announced with a flourish of trumpets that as a result of governmental policies, for the first time since 1912 or 1913 they were going to balance the budget. Not only that, but they would announce a surplus and a substantial reduction of debt; and, further, that the time had come when in the attempt to lower the cost of living a reduction in taxation should be given. Why, let me ask you, have they not continued the good work? Why are all such references absent from the present Speech? This fact is an eloquent if silent testimony to the failure of some of the policies put into effect during the past year. Does anyone mean to tell me that if the government were confidently looking forward to a substantial surplus this year; if the policy of reduced taxation was so sound that there would be a balancing of the budget and a still further reduction of duty—if this were the case, would the fact not have been mentioned in the Speech? I think it would, but we know very well that such has not been the case. Instead of that what do we have? The Speech starts out just as it did before. The anxiety to relieve the cost of living is just the same as it had been and has been ever since the time before the present Prime Minister took office. This has been a live subject. The government attempted to deal with it last year by a reduction of the tariff; now we are told they are going to try an entirely different tack. No longer must we contemplate the cost of living and its remedy in reduced taxation.

In effect, by not continuing the discussion of the Speech, they tell us to turn our eyes from the present condition of affairs and not even consider the remedies that were applied last year and the failure of those remedies. They ask us to turn our eyes eastward toward the broad Atlantic and see the rising sun of Petersen, Preston and Company. That is now the important thing. But why not continue the policies of last year? The answer must be found in the fact that there was no surplus last year, with corresponding reduction of debt—and I have it on the authority of a supporter of the government in a speech made in this House that not only was there no surplus last year, not only was there no reduction of debt, but there was actually a deficit of $42,000,000. That must be the real truth of the situation; otherwise, had these policies been sound, had the budget statement of last year been correct, why have they not continued the good work, so nobly begun?

We have had several speeches dealing with different aspects of the tariff and with the reductions made last session. An estimate was made at that time that the changes would result in a lessening of our revenue by about $24,000,000. If the estimates being made to-day are correct, they resulted in a falling off of at least twice that much in the revenues of this country.

Now, let us see for a moment: what is the real purpose of the tariff? Briefly, a tariff serves three purposes. One of those purposes is a source of revenue, and those who have occupied the treasury benches know that it is a substantial source of revenue. The second purpose is that it incidentally affords protection to those industries which are common to Canada. The third is that it provides a basis for bargaining in our trade relations with other countries. These three purposes are very useful ones and they should be continually borne in mind. It is true that the changes made last year were not very large. So far as they applied to agricultural implements they may not have affected the industry so very materially, because to offset what was done in the way of tariff reduction, free raw materials were given. In this particular instance the harm was most apparent. Many of the firms manufacturing the raw material formerly supplied to the makers of agricultural implements have either been put out of business or their operations have been seriously curtailed. Some I know of are operating at the present time out of capital at a loss, and operating only three days a week; so that indirectly the result of last year's tariff tinkering was unemployment, emigration, a deficit, a loss to the country of much needed revenue. To balance that, what have we in the way of material advantages? We had the figures given, and no one has disputed their accuracy, that to the farmer, the man most concerned, the man whom it was supposed to benefit, the prices of agricultural implements have not been reduced by one farthing by a reduction of the customs tariff —not even quite enough to make up for the loss of the sales tax. The net result to-day after three years work in the direction of reducing the cost of living, and in the direction of making cheaper the implements of production, is that the farmer, the one who was supposed to be benefited, is paying the same or more for his implements than when this government assumed power. The net result has been a loss of revenue, unemployment, emigration of our best class of labourers, and no one has got any benefit. In the face of this, is it any wonder that debate on this subject is not wanted? I am not at all surprised that the government do not care to have any debate on this subject, and that they are in a hurry to begin consideration of the control of ocean freight rates. I do not blame the government so much for their silence for this reason: it shows that with all their faults, they are just a little bit ashamed of their efforts and are troubled with remorse. What excuse, however, is there to offer for the action of the Progressive party, whose leader arises in his place and in effect says that now he has made his pronouncement everyone else must keep silent, there must be no more debate on this question by them. I must commend the leader of that party in a sense for his stand. He did perfectly right because the whole country knows that he and his party were a party to the mess that has been made.

We are told in the Speech from the Throne that the high cost of living is not going to be cured by further reductions in the tariff; it is going to be cured, and you will find the reference in the Speech, by consideration of transportation costs and immigration. The government, evidently proud of the success they have made in controlling transportation on the Great Lakes, have now ventured out into a larger field and are going to control, single-handed, ocean freights.

With regard to immigration, in the opinion of some people as well as the government the solution of Canada's difficulties lies in immigration. Let us inquire how far during the past three years immigration has operated to cure any of the ills from which we suffer. Of what use is millions spent on immigration while for every raw immigrant we bring into this country two native-born Canadians go out? Of what use is millions spent upon immigration if we cannot find jobs for the men we have? What have we as Canadians to offer to the intending immigrant? We have to say to them that we have a tremendous debt of about two and a half billion dollars; that in spite of our wonderful resources, in spite of all we say about Canada, we cannot make revenue and expenditure meet and are going further in debt every day. This is the bait we are to hold out to the intending immigrant to attract him here to help us pay our debts. Is it not an alluring prospect? That is the scheme that has been brought forward after three years by this government as a cure for the high cost of living—immigration. We do need immigration, but first of all, we need sound policies. First of all, we want to so economize that we shall be able to live within our revenue; we must show some signs of reducing our public debt; and when that is done all that will be necessary for Canada

to do will be to keep out the undesirables, and the rest will be clamouring at the door for admittance. Imagine a government sending out agents and spending millions of dollars on immigration when the only thing we can say to the intending immigrant is: Come and help us pay our debts. You mght just as well go to the man who is burdened with debt and unable to balance the family budget and say: All you need is an increase in the family. The first thing we want to do is to develop a sound policy, to practise economy, and have a real business administration of the affairs of this country, and until that is done the money spent on immigration is so much money thrown away.

The other solution offered by the government is the control of ocean freight rates. This is to be done by subsidizing a small line of about ten ships to the tune of a million dollars a year. In my judgment the real reason for this new scheme is to distract attention from the real condition of affairs in this country, from the fact that we are not balancing our budget, that we are not paying our way, but are going deeper and deeper into debt. It is to take our minds from that disagreeable subject that we are asked to consider the control of ocean freights. Some years ago, about the time Sir Wilfrid Laurier assumed power, an arrangement was made with a company known as Petersen, Tate and Company, by which a subsidy was given to a fleet of ships that was to give a quicker service between this country and the old land, and reasonable rates for passengers and immigrants. It is well to remember that this Petersen, of the Petersen, Tate Company, is the same Petersen that the arrangement is to be made with now, but then they were only being paid about half a million dollars; things were cheaper in those days. What was the result of that arrangement? In the first place I want this House and the country to remember that Petersen, Tate and Company failed entirely to live up to their contract, and although they had deposited a considerable sum of money with the Canadian government by way of guarantee, after they had failed to live up to their contract a most generous Liberal government gave them back their deposit. That was the result of the first attempt to control freight rates with the assistance of the Petersen, Tate Company.

Now let us look at the other scheme. Who was the man largely responsible for arranging this deal? We have been told this afternoon that it was W. T. R. Preston. As you have already heard, a number of years ago in my county a man going under the name of W. T. R. Preston was given control of affairs for the Liberal party, and he attempted to control the elections in West Elgin by bogus ballot boxes and manipulation. Although West Elgin was traditionally Liberal and had always previously elected a Liberal, when the investigation following this particular election was over a Conservative was elected for that constituency and it has never chosen a Liberal since. You have heard much this afternoon from the hon. member for South Oxford (Mr. Sutherland) about the activities of this gentleman who has undertaken this great work in the interest of the Dominion. Much more could be added but the facts have been so well placed before the House that I will not enlarge upon them. Many members who are older in public life than I am are thoroughly conversant with the activities of this particular friend of the present government. The result of his exertions in West Elgin was not only to earn a most disagreeable name for himself but to bring disaster to the Liberal party. Has anyone any idea that the efforts of this man in connection with ocean freights, in combination with the Petersen firm that failed once before, are going to be productive of any greater success than he was able to achieve in West Elgin? Is it any wonder that we of this party view with considerable misgiving the prospects of success under such circumstances? Upon the strength of the report issued by this man a scheme has undoubtedly been arranged in connection with which a million dollars of the taxpayers money is to be paid. This is all being done upon the recommendation of a man whose activities in connection with Canadian public life have been such as were described here to-day. If there is a combine in connection with ocean freight rates, if we are paying excessive transportation charges at the present time, we are just as anxious to reduce these rates as anyone can be; but we have to remember that Canada already owns a merchant marine very much larger than the flee we are about to subsidize, and it is operating at a loss of about $2,000,000 each year, which loss the taxpayers of this country have to make up. I would ask, if freight rates are too high why is the Canadian merchant marine operating at a loss? The Canadian taxpayer already has had to dip down in his pocket to the tune of $2,000,000 to make good the losses of a fleet of sixty or more ships which the government own. Now we have a suggestion that to our merchant marine be added another fleet of ten ships upon which the Canadian taxpayer must pay out another million dollars. It is said we are going to control ocean freight rates. Was ever

any idea more fantastic than that? If the solution put forward a year ago for a cure of the high cost of living was such a failure—and that it was a failure is admitted by this empty document placed in our hands to-day—then what can be looked forward to in the way of success from an effort along this line to control ocean freight rates?

It is not sufficient to criticise. If we are not satisfied with existing conditions we are expected to point out something that would effect improvement. Let me indicate what, in my humble judgment, I believe would be the proper course for Canada to take to-day. In doing this I want to address myself particularly to hon. gentlemen to my left because, like myself, they are interested from the farmer's standpoint. My hon. friends have now been in public life for three years or a little more. No doubt their intentions are just as good as the intentions of any of us who have been elected to this House. I believe my hon. friends are perfectly sincere in what they are trying to do, but they have as yet offered no national solution, if I may use the term, for Canada's difficulties. I have waited patiently during the past three years for some suggestion to come from the west in the nature of a national solution, but in vain. What have we heard? We have heard when crops were poor that there should be a reduction of the tariff. When prices were low we were told the same remedy was required. When crops have been better and prices have been high we are still told what is required is a reduction in the tariff. Last year, as the result of their support of the government, and I believe on the part of very many against their better judgment we were given a sample of the reduction in the tariff with the results which I have outlined. The financial year which has closed was so unsatisfactory that the government avoided all reference to it in the Speech from the Throne. Indeed, no one appears to have derived any benefit from the government's policy. Surely our western friends can offer something better in the way of a solution of existing difficulties than merely to ask for a reduction in the customs tariff.

We might ask ourselves why a customs tariff is needed? I believe the answer is clear. No matter what our personal opinion may be, no matter what attractive arguments in favour of free trade can be presented, we are faced with the disagreeable fact that our immediate neighbour for over three thousand miles believes in a policy directly the opposite; and it is surely apparent
9 p.m. to any one who has any business instinct at all that it is absolutely impossible for us to work in the direction of free trade while our neighbour enforces high protection. A splendid illustration was given by the hon. member for Vancouver Centre (Mr. Stevens) the other night when he cited an illustration under which one side of Sparks street was given full liberty to trade, whereas the other side was strictly limited to its own immediate territory. That is the situation exactly. There is no possibility of an industry of any kind flourishing in Canada if it is entirely shut out of the American market, and forced to divide its own market with the country to the south. Such a thing is absolutely impossible and absolutely unjust; I give many of my western friends credit for good business judgment in recognizing that it is impossible to succeed in the face of such conditions, that it is impossible to adopt any such policy as they advocate when our neighbours are not in harmony with us. If trade with the United States is desirable there is no one thing that will so quickly bring about an improvement as putting up the barriers on our side to the extent they themselves have done. Let us do all we can to cultivate trade with nations that show a desire to trade with us, let us continue the Imperial preference, but surely in our own great interest it is far better to pursue a policy that will build up Canadian industries rather than the industries of the United States.

In my judgment there should be an immediate revision of the tariff, with the object of protecting Canadian industry from the unfair competition of our American neighbours. I should like very much to have some of our western friends who are satisfied with what has been done in the way of tariff reduction with respect to agricultural implements to spend a short time with the hon. member for Brantford (Mr. Raymond). They could then see for themselves what conditions are in that enterprising city, and just how little cause they have to be satisfied with their handiwork in the matter of customs reduction. They might also go to the fruit growing district where men, who had faith in Canada and invested their money in the country, were forced to allow acres of strawberries to rot for lack of a market, because the Canadian people in many of our large cities had bought the fruit from the United States, in many cases not as good, for twenty-five and thirty cents per box. Surely it would be good business to provide adequate protection for these men who are bearing their fair share of taxation, who have faith in Canada and have invested their money in the country. That is only one illustration but it is an important one. These foreign fruits come on

our market somewhat earlier and at a higher price, and those who are able to purchase them contribute very little, if anything, to the revenues of the country. By the time Canadian-grown fruit is ready, the market is pretty well satisfied, and I know of cases where four or five acres of strawberries rotted on the ground because they would not pay for the effort or labour of picking them. Surely it should be a Canadian policy to give, as far as possible, the benefit of our market to our own people. If there are those who are so wealthy that they can afford to buy this early fruit at a higher price, let them pay a reasonable amount into the revenues of the country. I would suggest that a duty of 20 per cent would not be out of the way for the protection of the small fruit growers of this country and that it would not work an injustice to anyone. Those who did not have sufficient money to buy the high priced fruit would be able to buy the Canadian fruit and those who wished to buy the high priced fruit would contribute something to the revenues of Canada.

Let us have a practical and immediate revision of the tariff with the object in view of preserving, for the Canadian people against the competition of the Americans, the Canadian market for Canadian industry, Canadian labour and Canadian production. This could be done by a board properly representative of all classes and could be made equally fair to all, no matter in what industry they were engaged. The main object should be the protection as far as possible by customs regulations of the Canadian market for the Canadian people as against the competition to the south. When that is done, the respect in which we are held by the Americans will substantially increase, and I believe that we could obtain better trade relations than we have hitherto obtained from them if we used the means in our hands as a weapon in this way.

We are told, of course, by one of the ministers that Canada is coming through. Perhaps he should have said: Coming through great tribulation in the matter of government. In the judgment of those Americans who see thousands of our citizens going over the line to find employment and homes in that country, Canada is certainly coming through. But if Canada is to get out of the woods and make the progress that she should, we must have, in addition to a sound trade policy, the most rigid economy, economy pressed to such an extent that it almost hurts. We have heard a great deal about economy in the last three years; but so far as I am able to judge, all the exhibition which the present government have given of their understanding of economy, is the combination of letters that spells the word. We have not had real, stringent economy. We should have economy to such an extent that we shall have a balanced budget. When we are able to meet our obligations and to show a reduction of the national debt, then and not until then we shall be able to appeal to the right class of immigration and we shall be on the sound road to substantial progress.

There is a rumour that the anxiety on the part of two parties in this House for a short debate is that there is a prospect of an early election, and they wish to hurry through the work of the House in order to appeal to the people at an early date. I do not know how true this may be; but if this be the case, there never was a time in the history of this country when the electors were more anxious for a reduction of taxation, for a sound administration at Ottawa, for unity, for economy and for progress than they are at the present time. If that is the desire, I am sure the people of this country will welcome the opportunity, and personally I would say: Do not tremble on the brink; come on in, the water is fine.

Hon. J. B. M. BAXTER (St. John City and Counties of St. John and Albert): Mr. Speaker, I shall not, I hope, add very much to the length of the debate to-night, but there are a few observations that I think ought to be made upon a matter of the suggested importance of the Speech from the Throne. There is a tradition, perhaps not much more than a tradition, that a Speech from the Throne is supposed to reveal the policy of a government when a government possesses a policy that is capable of revelation. I have searched the Speech from the Throne, which is at least moderately brief this year in comparison with previous efforts, and I fail to discover anything more than an effort at patchwork. I think, in the judgment of the people of Canada to-day, what is insistently required is a real, comprehensive policy that will fit Canada from one end to the other, and that most confessedly we have not such in the few scrappy sentences which are uttered for the purpose rather, perhaps, of distracting than of focussing public attention.

I do not want to take up much time and I do not think the people of Canada require much time to be taken up in disposing of the obvious misstatements in this Speech from the Throne. I doubt if there is such a wonderful difference between the state of the Maritime provinces to-night and that of the rest of Canada that the language of the open-

ing sentences of the Speech can possibly be true of the rest of Canada and yet be false with regard to the Maritime provinces. Certainly in those provinces the economic situation has most decidedly not improved since the last session of this parliament. It has as distinctly retrograded. Just as certainly the cost of living has increased in the Maritime provinces; it has not decreased since the last session of this parliament. Why use these futile words that can deceive no one? The basic industries of the Maritime provinces are in no better and in a decidedly and visibly worse condition to-day than they were a year ago or at any time since this government took office, and I am not going to blame this government entirely for that condition. What I shall blame them for is that they have not yet created and I doubt if they ever will create a comprehensive, all-Canadian policy that will enable us to grapple with the difficult conditions that exist throughout Canada at the present time. You certainly cannot do it by reciting that the economic situation has improved nor by telling the people who know better that the cost of living has decreased.

I go further in this Speech and I find a statement with reference to our old friend, the Crowsnest pass. I am not going to take time to-night to belabour the government for its variegated policy with regard to Crowsnest pass rates. I found myself only upon one sentence where they say that this matter will, in some measure, necessarily depend upon the decision of the Supreme court in the appeal. I would like all the silent members of the government—and that embraces every member of that body except the Prime Minister, so far as this debate is concerned—who have yet an opportunity of speaking, to point to a decision of the Supreme or any other court in Canada that brought the Crowsnest pass agreement into effect. Why go to the court to reverse the decision? The Crowsnest pass agreement was made by this legislative body of Canada, and if the government of the day were a virile government it would grapple with the question by legislation and not by the artful dodge of sending it from commission to court to deal with. I think I can safely suggest a policy to the government, but I am satisfied that there is so much division in their councils that they will never steal a policy or adopt one coming froim this or any other angle of the House. Wake up and give us a policy! I think it was last year that my hon. friend the Minister of Labour (Mr. Murdock) introduced a bill for the protection of the government; I commented on it as a bill for the safety of children at sea, and the object of the bill was very patent to us all. This year they want to go to sea in a Britannia ruling the waves spirit, without a navy and for the purpose of fixing ocean rates; and the next thing they know they will be helplessly at sea again in the Supreme court with regard to constitutional questions. Let them give us a real policy. Do not let them bother with the ocean. Do not let them emulate King Canute sitting in his chair at the margin of the shore surrounded by his courtiers and ordering the waves to roll backward. That sort of thing is not worth while. Rather, let the government try to do something useful; let them give us a real policy that will be protective of Canada, a policy that will ensure the men who raise grain in the west that if they use Canadian channels of transportation instead of channels partly Canadian and partly American they will secure a rate as low as, or lower than, they can obtain by the hybrid route. Give us an all-Canadian route, and if you have $10,000,000 or other millions to squander on the Petersen system spend it on internal modes of communication, and route the grain by Canadian rail and Canadian water to Canadian ports instead of through foreign ports. That is something which my friends of the government can control, but that policy would be national and therefore it is not required at the present stand.

I have spoken in this House on many occasions, and I shall speak again and again, on behalf of the Maritime provinces and their rights. We do not come here as suppliants nor as would-be tyrants; we simply ask for a fair and square deal in those provinces and we do not propose to be shut out of confederation and such benefits as may reasonably come to us from the existence thereof. I do not think that we are interested in a subsidy to ocean steamships, but we are interested in making the conditions within Canada such, that every pound of freight that Canada has for export will use Canadian rails and both grade systems, as well as Canadian lake systems, employing Canadian boats and making use of Canadian ports. We believe that a policy could be devised by which those who enjoy the benefit of the British preference would have it withdrawn from them unless they utilized British shipping and Canadian ports. The government has had the power ever since coming into office, simply by means of an order in council, to bring that policy into effect; but all we have had has been a mere temporizing 10 per cent measure, with the results of which the ministry claim they are satisfied, so far

as they go. Why are they afraid to take a further step? If the 10 per cent is successful why do they not go the whole distance? They need not be afraid of votes against them from this group.

Mr. ROBB: Were not the hon. gentleman and his party opposed to the building of an elevator at Halifax for the purpose of shipping grain through that port?

Mr. McMASTER: That is the wrong port.

Mr. BAXTER: My party and the people of Halifax were opposed to the spectacle of ministers of the crown and their supporters rushing into that constituency on the eve of an election and pretending to discover the necessity for elevator requirements to which they had been oblivious from the day that Nova Scotia gave them sixteen solid and silent supporters. They woke up when they saw they were in peril of having the sixteen reduced to fifteen. And Halifax promptly turned the trick and gave them one less as a hint to the others to rouse themselves and stand up for their rights. We did not oppose elevator capacity in the Maritime provinces, but what we said on the platform in Halifax, and what I say to-night, is that down to that time there had not been the slightest effort to use the limited elevator capacity that had existed in that city. Down to that moment the government had been trucking and trading with two or three of their political supporters about different sites, as to which one it would be most advantageous to negotiate for. That is the sort of thing we were faced with. Will the government grapple with this question as a whole? I do not want to discuss Halifax or St. John from the standpoint of mere partisanship, but I do want to speak of their rights as part of the whole of Canada. The government talks about transportation. It has another sentence in the Speech about a freer movement of commodities through an equalization of railway freight rates as between provinces and localities, and something about lower carrying charges upon shipments by water. What does it mean? Not a minister of the crown has explained it. Are they suddenly dumb, or are they waiting to see what it can be made to mean according to some peculiar side currents and drifts of opinion that may be moving in the House? I will tell them what I wanted to see in the Speech with regard to railway transportation: I wanted them to come out and declare that the day of falsehood had ended in this country. Does the government realize our position in the Maritime provinces? Does it realize that when we complained in this House of the shipment of automobiles through New London we were first put off with explanations, and that explanations were then sent to the newspapers from the head of the government railways to the effect that they were doing everything in their power to carry out the bargain with the people of Canada, that every pound of freight should be routed by Canadian rails through Canadian ports, and that the Canadian National railways were doing everything to implement the declaration of Sir Wilfrid Laurier? More than that, the St. John Telegraph sent two emissaries across Canada and they found shippers who declared that not only had they not routed their goods through American ports, but that they had never been asked by a representative of the Canadian National Railways to route them through Canadian ports. And yet we were deluded and deceived, for the people of Canada were told by the head of the National railways that every possible effort was being made to route traffic through Canadian ports, and that it was the shippers who had refused to do so. Those shippers who have come out in the open and made those statements are either right or wrong. If the government is doing anything else but sit on the fence, it will ascertain whether its servant or whether these shippers are making false statements. We had been led to believe by the very people in charge of the National railways that there was a deep-rooted hostility in the western part of Canada to the use of the ports of the eastern provinces, and now our investigators find that the trouble is somewhere else. Transportation policy! Why do hon. gentlemen opposite from Nova Scotia keep quiet throughout this debate when they have not a jot or tittle of assurance of improvement of the conditions to which I have referred, and which must be as well known to them as to me. Why is it that not a minister connected with transportation or any other service of the government railways explains the policy of the government and how they propose to implement it? Has the Speech from the Throne become a barren congeries of words with no meaning and no result?

When a gentleman sat opposite as Minister of Railways who had, I believe, the confidence and good feeling of every member of the House—and in saying that I mean no disparagement at all of his honourable successor—in I think the first remarks I addressed to this House on the railway question I suggested that what was necessary was the cutting down of the enormous waste because of virtual

railway duplication, that nothing else could save us except an accord between the railways —co-operation instead of competition. Has any step been taken in regard to that as a national policy or to put it in operation? Are we doing anything else to-day except foolishly bucking one national railway against the other national railway? For that is exactly what is occurring to-day. Not an attempt is made to cut out duplication of services. I do not want to be misunderstood. I do not want to see anything like the Board of Railway Commissioners imposing their will upon the two railways; I do not want to see this government pass legislation to impose what it may think to be the will of the people upon the railways. All I ask is that the heads of the two railways shall be invited—as business men trying to solve a common question would invite each other—to sit in a conference and discuss the means by which a combination of the respective systems may be operated more profitably and with less expense. Not merely millions but tens of millions of dollars can be saved to this country by such a course. And that money, whether it is paid as freight rates to the Canadian Pacific or to the Canadian National, is coming just the same out of the pocket of the Canadian taxpayer. But what is the answer we get from the Canadian National Railways? A blast and blare of radio from the Moncton station; great speeches, wonderful noises and rumblings all over the continent; "Hello; good fellow" to every man in the service of the road; amusement for the passengers; but never a sign of co-operation, nothing but coming to this parliament for money and more money and more money still to make good deficits, and never a thought that by a few hours reasonable consultation with the other great system millions of dollars of unnecessary expense might be eliminated.

Mr. GRAHAM: Now my hon. friend has made this statement two or three times, will he allow me a word?

Mr. BAXTER: Certainly.

Mr. GRAHAM: The very thing he says should be done has been done on more than one occasion.

Mr. BAXTER: Where and when ?

Mr. GRAHAM: At least twice during the past year I have personally called to the attention of the railway heads the discussions which took place in the House, I have discussed it with both presidents, and I have also called to their attention the discussion which took place in the committee; further, I have but recently written each of them asking if it is not possible for them to get together and endeavour to economize in the present state of affairs by cutting out duplication of trains without unduly discommoding the public.

Mr. BAXTER: I am glad to find, Mr. Speaker, that the seed I scattered did not all fall on barren ground—

Mr. GRAHAM: The seed came after the crop.

Mr. BAXTER: —because I enunciated that policy, if you may call it such, long before the hon. minister acted upon it. But I am not anxious for the credit.

Some hon. MEMBERS: Oh, oh.

Mr. BAXTER: No, I am not anxious for the credit, laugh as much as hon. members like. They may treat the business of Canada as a jest if they will, but I will not. What I am looking for is results, and I have asked the hon. minister to-night where and when. I want him to point to me a single train service eliminated, a single bit of waste set aside. I want something more than letters written.

Mr. GRAHAM: I do not want to interrupt my hon. friend unduly. A moment ago he did not want it settled by this parliament, nor did he want a bludgeon wielded by the railway commission; he wanted the heads of the two railways to be asked to get together in a friendly conference. If he wants us to go a step further, it will be beyond where he suggests we ought to go.

Mr. BAXTER: I am suggesting a step further, and there will be no bludgeoning in the step further. I would suggest that with all the suavity of manner and the real ability which my hon. friend possesses and with his long experience, if he were earnestly trying to do something in this matter he would sit in that conference with those men and get them started with a pretty definite object in view, and I do not think he would let go until he had accomplished it.

Mr. MARTELL: What did you do up to 1921? You took over the railways.

Mr. BAXTER: Mr. Speaker, my acquaintance with Holy Writ is perhaps a little dim and I have never been able to quite determine whether it was the angel or the ass that spoke.

Mr. MARTELL: The ass has just spoken.

Mr. BAXTER: Now, Mr. Speaker, I find a sort of aversion in the Speech from the Throne to any discussion of the tariff question. In fact there seems to me to be rather a con-

fession that the little tariff tinkering that was not going to hurt anybody very much but yet was hoped to benefit somebody a very great deal, has not been productive of any useful result, and now the government has discovered that the whole crux of the question lies in transportation.

Some hon. MEMBERS: Oh, oh.

Mr. BAXTER: Hon. gentlemen to my left laugh because they like to be deluded in this way, and they have shown appreciation of their delusion by a great many votes in support of the government, which I have no doubt, will be implemented by many more in the future. I do not think, however, that we have anything really constructive unless we have some dealing with the tariff along broad lines. I do not pose as a high tariff man, nor do I come from a province that has any interest in what you might call a high tariff. In fact, there might be some preference in New Brunswick for a very low tariff. In Nova Scotia, as hon. members well know, the feeling in many sections would be very much the other way, and the maintenance of a tariff is vital to the development of some industries. You go into Quebec and you find the necessity for a tariff again. That is repeated in Ontario, and is immediately denied in the west. When you reach the Pacific coast you find a recurrence of the belief in the tariff. Is it impossible for this government to bring people together on the tariff question? Is it not worth while for sections of the country—take my own for instance—which may have no interest that calls for a high tariff, to be fair enough to say: There are other parts of the country besides ours where the tariff is a vital necessity. We will put up with a reasonable tariff, surrounded by proper safeguards, if we get the business of those other portions of Canada passing through our territory? In other words, give us our compensation by the solving of our transportation problem. Do that, and give to those parts of Canada, which require it, to the industries of Canada which require it, a real, vital protection and not a mere half-baked thing that is no good, a thing which perhaps may be said not to injure the consumer and certainly does not help the producer. Give us something with vitality in it. The west can afford to bear a reasonable amount of tariff burden if the government of the country is strong enough and has vision enough to solve the internal transportation problem of Canada, so that when they reach the seaboard the Canadian wheat grower and the Canadian manufacturer will be on the same footing as those who have the advantage of the use of American ports. But have we a suggestion of anything of this character in the Speech from the Throne? Have we a suggestion of anything positive, of anything concrete? Is there a policy at all? Can a man read that Speech and deduce from it any real basis upon which it is proposed to administer the affairs of the Dominion of Canada during the next twelve months? I cannot find it and I do not think anybody else can. What confirms me in that view is that except for the perfunctory—well, I will not say that; but except for the part in the debate which necessarily fell to the Prime Minister by virtue of his office, there has been practically no support of the Speech by hon. gentlemen opposite, and the Prime Minister has been at least a party to the silence of his followers upon all the questions dealt with in it.

Mr. SPEAKER: Shall the motion carry?

Mr. MEIGHEN: On division.

Motion (Sir Eugene Fiset) agreed to, on division.

On motion of Mr. Mackenzie King, seconded by Mr. Graham, it was ordered that the Address be engrossed and transmitted to His Excellency the Governor General by such members of the House as are of the Honourable the Privy Council.

SUPPLY

Hon. J. A. ROBB (Acting Minister of Finance) moved:

That this House will on Tuesday next resolve itself into a committee to consider of a supply to be granted to His Majesty.

Mr. MEIGHEN: Where does this come in on the order paper?

Mr. SPEAKER: As soon as the Address in reply to the Speech from the Throne is adopted, these motions are in order.

Motion agreed to.

WAYS AND MEANS

Hon. J. A. ROBB (Acting Minister of Finance) moved:

That this House will on Tuesday next resolve itself into a committee to consider of the ways and means for raising the supply to be granted to His Majesty.

Motion agreed to.

MAIN ESTIMATES FOR 1925-6

A message from His Excellency the Governor General transmitting estimates for the year ending March 31, 1926, was presented by Hon. J. A. Robb (Acting Minister of Fi-

nance), read by Mr. Speaker to the House, and referred to the committee of Supply.

SUPPLEMENTARY ESTIMATES FOR 1925-6

A message from His Excellency the Governor General transmitting supplementary estimates for the year ending March 31, 1926, was presented by Hon. J. A. Robb (Acting Minister of Finance), read by Mr. Speaker to the House, and referred to the committee of Supply.

RAILWAYS AND SHIPPING
SELECT STANDING COMMITTEE

Hon. GEORGE P. GRAHAM (Minister of Railways and Canals): Mr. Speaker, with the consent of the House I would move, seconded by Mr. Robb:

That rule 10 of the House of Commons relating to the appointment of the select standing committees of the House be amended by adding to the select standing committees of the House for the present session a select standing committee on Railways and Shipping owned, operated and controlled by the government, to which will be referred the estimates of the Canadian National railways and the Canadian merchant marine for the present session for consideration and for report to the House; provided, however, that nothing in this resolution shall be construed to curtail in any way the full right of discussion in committee of Supply; and that the said committee consist of Messieurs Cannon, Drummond, Drayton, Euler, Graham, Harris, Jelliff, Jones, Kyte, Mackinnon, Milne, Rinfret, Robichaud, Stewart (Humbolt) and Stork.

These are the same as last year, except that Mr. Cannon is put in the place of the late Mr. Gauvreau.

Mr. SPEAKER: According to Rule 40 this requires unanimous consent.

Mr. GRAHAM: I would have to give notice if I did not get the consent of the House, but I asked for that before I moved the resolution.

Mr. SPEAKER: Is it the pleasure of the House that the hon. member shall have unanimous consent?

Mr. MEIGHEN: No, Mr. Speaker.

Mr. GRAHAM: Stands as a notice of motion.

Motion stands.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

COLEVILLE, KERROBERT AND KINDERSLEY POSTMASTERS

Mr. CARMICHAEL:

1. What was the yearly emolument received by the postmasters at Coleville, Kerrobert and Kindersley in the province of Saskatchewan, for their services as postmaster during the latest year for which data is available?

2. Does post office box rent accrue to the postmaster or to the department?

Hon. Mr. MURPHY:

1. For year 1923-24.

Coleville post office.. ..	$ 720 58
Kerrobert post office.. ..	5,472 90
Kindersley post office.. ..	3,822 55

2. In government-owned and rented post office buildings where the postmaster and staff are civil servants, all revenues from post office boxes accrue to the government.

In government-owned and rented buildings where the postmaster is paid from revenue, and where he, in turn, engages and pays his own staff, 50 per cent of the post office box revenue has always been assigned to the postmaster as one of the items which make up his salary.

At the three above-mentioned post offices the postmasters are paid out of revenue and they supply their own buildings and equipment, including post office boxes, and, in accordance with the rule that has always prevailed, the postmasters in question retain the revenue from these boxes.

GRAND RIVER BRIDGE

Mr. SENN:

1. What was the total cost of construction of the grand river bridge at York, Ontario?

2. What has been the cost of maintaining said bridge during each year since construction?

Hon. Mr. KING (Kootenay):

1. $26,327.95.

2. 1892-93, $147.00, 1893-94, $340.00; 1894-95, $300.00; 1896-97, $62.12; 1897-98, $32.50; 1899-1900, $798.00; 1901-02, $993.97; 1902-03, $16.00; 1903-04, $198.34; 1904-5, $1,210.55; 1905-06, $3,114.35; 1907-08, $1,619.56; 1909-10, $1,823.32; 1910-11, $25.00; 1911-12, $124.85; 1912-13, $524.49; 1913-14, $875.00; 1914-15, $1,024.24; 1915-16, $623.29; 1916-17, $186.66; 1917-18, $370.52; 1918-19, $456.25; 1919-20, $634.67; 1920-21, $1,042.38; 1921-22, $5,083.12; 1922-23, $121.25; 1924-25, $28.00.

REJECTED IMMIGRANTS

Mr. ROSS (Kingston):

1. How many immigrants have been refused admission to Canada during the fiscal year ended March 31, 1924?

2. From what countries did these people make application?

Hon. Mr. ROBB:

1. 11,303.

2.

Arabia..	2
Armenia..	5
Austria..	2
Belgium..	3
China..	48
Cuba..	3
Czecho-Slovakia..	5
East India..	5
Egypt..	2

2.—Concluded

Esthonia	5
Finland	21
France	7
Germany	17
Great Britain and Ireland:—	
England	121
Ireland	17
Scotland	45
Wales	4
Greece	12
Holland	13
Hungary	2
Italy	443
Japan	3
Jugo-Slavia	4
Latvia	1
Malta	10
Mexico	2
Newfoundland	79
Poland	9
Portugal	3
Roumania	7
Russia	13
Scandinavia:—	
Denmark	4
Norway	23
Sweden	11
Spain	10
Switzerland	3
Syria	1
Ukraine	1
United States of America	10,311
West Indies	18
Other Countries (not given)	8
	11,303

PACIFIC CABLE BOARD EMPLOYEES

Mr. NEILL:

1. During the calender year 1924 how many telegraphists or clerks were appointed on the staff of the Pacific Cable Board?

2. How many of these at the time of their appointment were domiciled in:—(a) Great Britain; (b) Canada; (c) Australia; (d) New Zealand; (e) Other portions of the British Empire?

Hon. Mr. MURPHY:

1. Twenty-three operators, seven clerks.

2. (a) Two operators, clerks, nil; (b) Two operators, two clerks; (c) Sixteen operators, two clerks; (d) Three operators, one clerk; (e) Operators, nil, two clerks, Fiji.

STEAMSHIP REGINA

Mr. DOUCET:

1. What was the time and date of the arrival of the Steamship Regina at Halifax, about the latter part of the month of November, 1924?

2. How was the mail transferred to Montreal?

3. By what train?

4. When did it reach Montreal?

5. Is it a fact that two carloads of mail matter were mislaid in transit?

[Mr. Robb.]

Hon. Mr. MURPHY:

1. Steamer Regina docked at Halifax at 8.45 a.m., on the 29th November, 1924.

2. By Canadian National railway trains.

3. Canadian National Railway fast freight train 475 to Monk, P.Q., and thence, on account of protest of the Post Office Department, by Canadian National Railway special train to Montreal.

4. At 4.30 a.m., December 2nd, 1924.

5. No, but the time taken for conveyance of the mails to Montreal was longer than usual due to the use of a freight train part of the way.

MATANE HARBOUR IMPROVEMENTS

Mr. DOUCET:

1. What amount was voted for habour improvements at Matane, Quebec, in 1923-24, 1924-25?

2. What firms received contracts for dredging and wharf building at this place and the amount of contract in each case

3. Was the tender system used?

4. What damage, if any, was caused by ice and sea to wharves and breakwaters at Matane in the fall of 1924 and winter of 1924-25?

5. Who is inspector of wharf building at this place? How was he appointed and when, and is he competent in the discharge of his duties?

6. Who is inspector of channel dredging at this place, how was he appointed and when, and is he competent in the discharge of his duties?

7. Is it the intention of the government to rebuild any wharf or breakwater damaged by ice, etc., at this place?

Hon. Mr. KING (Kootenay):

1. 1923-24, $100,000; 1924-25, $75,000.

2. (a) Dredging: A contract was entered into with Horace Dussault and Company to dredge 290,000 c. yds. p.m. at 37 cents, amounting approximately to $107,300; when 32,135 c. yds. were removed the contract was closed and a contract awarded to The St. John Dry Dock & Shipbuilding Company Limited for the remainder of the work, viz.: 257,865 c. yds. p.m. at 37 cents amounting approximately to $95,410; (b) Wharf building: Messrs J. R. & J. E. Boulanger: Extension to eastern breakwater at unit prices, amounting approximately to $38,178; construction of wharf to connect present wharf and western breakwater at unit prices, amounting approximately to $30,972.80.

3. Yes.

4. The structures under construction by Messrs. Boulanger & Boulanger were damaged first on December 9th, 1924, and again on January 20th, 1925.

5. (a) Joseph R. Pelletier; (b) By Civil Service Commission, July 11, 1924; (c) Yes.

6. (a) Henri Joncas; (b) By Department of Public Works; (c) July 26, 1923; (d) Yes.

7. Matter being investigated.

YUKON GOLD COMMISSIONER

Mr. BLACK (Yukon):

1. What amount as salary, and what amount as living allowance, is paid annually to the Gold Commissioner of Yukon Territory?
2. What amounts are so being paid to the Acting Gold Commissioner of Yukon Territory?
3. Was an increase made within the past three years in the amount paid annually to the Gold Commissioner of Yukon?
4. If so, by what amount annually was such payment so increased?
5. Was such increased payment made retroactive, and if so, how many years back did it extend?
6. At what date was such increase put into effect, and what total sum was at that date paid pursuant to such increase?
7. How many persons are at this date being paid as Gold Commissioner, and Acting Gold Commissioner of Yukon?

Hon. Mr. MURPHY (For Mr. Stewart):

1. The duties of Commissioner of the Yukon have been added to the Gold Commissioner who is paid annual salary of $5,000, with annual living allowance of $3,000. Before consolidation former commissioner had salary of $6,000, living allowance $6,000, and free house. Gold Commissioner had salary of $5,000, living allowance $1,500.
2. Answered by No. 7.
3. Answered by No. 1.
4. Answered by No. 1.
5. Yes, to April 1, 1919.
6. February 7th, 1923, $5,750.
7. Gold Commisioner, G. P. Mackenzie summoned to Ottawa to assist in framing policy for administration in North West Territories along lines which will protect natives and conserve wild life. He is organizing and will command Arctic expeditions and will be paid the same salary $5,000 per annum and living allowance $3,000 per annum as he received as Gold Commissioner.

Mr. Percy B. Reid, Division Commissioner of Immigration has been borrowed from Department of Immigration and Colonization to act as Gold Commissioner at Dawson. His salary is $4,500 per annum and he is being paid in addition a living allowance of $8.50 per day.

HOME BANK DEPOSITORS

Mr. HODGINS:

Is it the intention of the government to take any steps towards reimbursing the depositors in the Home Bank, at this session of parliament?

Right Hon. Mr. MACKENZIE KING: I will have a statement to give the House on the orders of the day to-morrow with reference to the Home Bank.

QUESTION PASSED AS ORDER FOR RETURN

TREATIES AND CONVENTIONS AFFECTING CANADA

Mr. HUDSON:

1. What treaties and conventions are in existence and operative affecting Canada: (a) between Great Britain and the United States; and (b) between Canada and the United States?
2. How many trade commissioners, trade agents or consular agents has the United States in Canada?
3. How many trade commissioners, trade agents and consular agents has Canada in the United States?
4. What was the value of the Canadian imports from and exports to the United States for each of the last five years.

GENEVA PROTOCOL—INTERNATIONAL DISPUTES

Mr. MORIN moved:

For a copy of all correspondence, letters, telegrams and other documents exchanged between the government of Canada and that of Great Britain, concerning the Geneva protocol, for the Pacific Settlement of International Disputes.

Right Hon. Mr. MACKENZIE KING: Mr. Speaker, this correspondence is going on at the present time between the British government and the government of Canada with respect to the Geneva protocol, and I think it would be inadvisable to bring down any of it until the whole of it can be brought down. At a later stage of the session, before the subject is debated in the House, I will see that such correspondence is brought down as can be.

Mr. SPEAKER: Stand?

Mr. MACKENZIE KING: Dropped.

Motion dropped.

SINGAPORE MILITARY BASE

Mr. PREVOST moved:

For a copy of all correspondence, letters, telegrams and other documents exchanged between the government of Canada and that of Great Britain or other self governing dominion in connection with a military base at Singapore.

Right Hon. Mr. MACKENZIE KING: I think that had better stand.

Motion stands.

UNOPPOSED MOTIONS FOR PAPERS

ROCKPORT-ALEXANDRIA BAY FERRY

Mr. STEWART (Leeds):

For a copy of all correspondence, resolutions, petitions, regulations, reports and other documents on file, relating to the application of one Hutchinson for a license to operate a ferry between Rockport Ontario, and Alexandria Bay, New York.

PUBLIC SERVICE EMPLOYEES

Mr. ARTHURS (for Mr. Sutherland):

For a return showing number of employees in the several departments in the public service for the fiscal year ending March 31, 1924, designated in accordance with the new classification schedules, and showing salary paid in each case.

ADVERTISEMENT—"CANADA IS COMING THROUGH"

Mr. ARTHURS:

For a return showing a list of all newspapers given publication of the advertisement "Canada is Coming Through" and the amount of money paid or to be paid to each.

IMPERIAL CONFERENCE

Mr. MORIN:

For a copy of all correspondence, letters, telegrams and other documents exchanged between the government of Canada, and the government of Great Britain or the government of any of the self governing dominions concerning the calling of an Imperial conference at London in the early part of the year 1925.

On motion of Mr. Mackenzie King, the House adjourned at 9.53 p.m.

Tuesday, February 17, 1925

The House met at three o'clock.

SOLDIER SETTLEMENT REGULATIONS

Hon. J. A. ROBB (Acting Minister of Finance): Subsection 2 of section 63 of the Soldier Settlement Act, 1919, provides that regulations made under the authority of that act shall be presented to parliament within fifteen days after the meeting thereof. In accordance with this provision I beg to lay on the table two regulations made under the act.

CONVENTION OF COMMERCE—CANADA-NETHERLANDS

Hon. J. A. ROBB (Acting Minister of Finance): On behalf of the Minister of Finance (Mr. Fielding), and for the information of the House, I beg to lay on the table a copy of a convention of commerce between Canada and the Netherlands signed at Ottawa on the 11th day of July, 1924. In connection with this convention, Mr. Speaker, I beg to move, seconded by the Minister of Militia and Defence (Mr. Macdonald, Pictou) that one thousand copies be printed forthwith, and that rule 74, in relation thereto, be suspended.

Motion agreed to.

SELECT STANDING COMMITTEES

Right Hon. W. L. MACKENZIE KING (Prime Minister): I beg to present the report of the special committee appointed to prepare and report with all convenient speed, lists of members to compose the select standing committees of the House, under rule 10. I move that the House concur in the said report.

Mr. MEIGHEN: I am afraid I cannot concur in it now.

Mr. MACKENZIE KING: It may stand as a notice of motion.

Mr. SPEAKER: Stands, as notice of motion.

CANADA TEMPERANCE ACT AMENDMENT

Hon. ERNEST LAPOINTE (Minister of Justice) moved that the House go into committee at the next sitting to consider the following proposed resolution:

Resolved, That it is expedient to amend the Canada Temperance Act to provide that if by the laws of the province intoxicating liquor can lawfully be sold only by or under the authority of the province or the government thereof, said prohibition shall nevertheless remain in force as to all intoxicating liquor not belonging to, nor imported, nor sold by or under the authority of, the province or the government thereof.

Mr. CALDWELL: Explain.

Mr. LAPOINTE: This is merely a notice of motion; when the resolution comes up for discussion explanations will be in order.

Motion agreed to.

HOME BANK DEPOSITORS

On the Orders of the Day:

Right Hon. W. L. MACKENZIE KING (Prime Minister): In view of the promise I made last evening, I should like to make a statement with respect to the depositors of the Home Bank:

On July 17, 1924, this House unanimously adopted the report of the committee on Banking and Commerce with respect to the losses sustained by the depositors of the Home Bank of Canada. The concluding paragraph of the said report is as follows:

Your committee consider that the facts brought out in the interim report submitted by Mr. Chief Justice McKeown, and the evidence therein referred to, establish that the depositors of the Home Bank have a moral claim in equity for compensation by the country on account of any loss they may suffer by reason of the failure of the Home Bank.

In the circumstances, the government has decided to introduce, this session, a measure recognizing, with respect to the depositors of the Home Bank, "the moral claim in equity for compensation", as referred to in this paragraph of the report. The proposed legislation will be brought down in due course.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): I wish to make an observ-

ation with reference to the first sentence of the Prime Minister's statement, and I make it without regard at all to what the attitude of the opposition may be towards the measure. The reference was to the "unanimous" adoption of a report. There were many reports adopted in this way hastily last session against my vigorous protest, and I stated at the time on more than one occasion that I did not consider such adoption as in any way binding the House to the terms of the report. That is the position I take still. In this connection I want to ask whether the amount which the government proposes to give is to be in the supplementary estimates, and also why it is not in the main estimates.

Mr. MACKENZIE KING: The bill which will be introduced will indicate the amount; there is no reason why the estimate should be given before the bill is presented.

Mr. MEIGHEN: Will the amount be in the supplementary estimates if the bill passes?

Mr. MACKENZIE KING: It will depend on the action the House takes with reference to the bill.

Mr. MEIGHEN: But if the bill passes, will the amount be in the supplementary estimates?

Mr. MACKENZIE KING: The House will be asked to vote whatever amount is required, and I presume the request will be made in the usual order.

Mr. MEIGHEN: That does not answer the question. The question is whether it will be put in the supplementary estimates or not. Whether the government does it in the usual order or whether it does not, will the amount be provided in the supplementary estimates, assuming that the bill will pass?

Mr. MACKENZIE KING: I am afraid my right hon. friend will have to "wait and see".

CAPE BRETON MINES

On the Orders of the Day.

Mr. J. S. WOODSWORTH (Centre Winnipeg): In view of the report of the Winfield conciliation board, does the government propose to take immediate action in the appointment of a royal commission to make a full, fair and impartial inquiry into the whole situation in Cape Breton with a view to ascertaining the costs of production and the returns on capital actually invested?

Hon. JAMES MURDOCK (Minister of Labour): We are at present in correspondence with the Miners' District Board and the officials of the company as to their respective positions on the Winfield board's recommendations or opinions. Further action will be determined when we have ascertained their views.

SUPPLY

POST OFFICE DEPARTMENT

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

Civil Government—Post Office—Salaries, including amount required to pay allowance to office appliance operators, grade 2 operating Hollerith card punching machines, in accordance with provisions of Order in Council P.C. 156/2521 dated December 24, 1923, $1,143,729. Contingencies, $195,000.

Hon. CHARLES MURPHY (Postmaster General): Mr. Chairman, the committee will observe that the salary items in this estimate refer only to salaries paid at Ottawa in the inside service; they have no reference to anything in the outside service. There is but little substantial difference between the amount of the estimate this year and that of last year. It will be noticed that last year the House voted $1,109,518 for these services, while this year the committee is asked to vote $1,143,729, or an increase of a little over $34,000. That increase is made up of statutory increases to the extent of about $28,000, and the balance is represented by amounts required on account of salary revision by the Civil Service Commission and the reorganization effected in the department through the same body. The number of employees, it will be observed, has increased by 25. Twenty of these new positions are what are known as office appliance operators, and are due to the introduction of what is known as the Hollerith system for mechanical sortation and audit of money orders and postal notes. In this connection it will be noticed that last year the amount for contingencies was $145,000, this year it is $195,000, or a difference of about $50,000. Now this difference is accounted for wholly by the introduction of the system to which I have just referred. The $50,000 is made up of two items: One for the purchase of 23,000,000 cards used in connection with the system of mechanical sortation and audit, and the other for the rental paid for the machines which perform the work. It may be stated for the information of the committee that if this system had not been introduced the department would have had to provide for the salaries of about 100 additional employees to carry on the work as it was carried on under the old method. In times past it frequently happened that this work was in arrear, sometimes to the extent of two years, but under this new system the work is kept up to date;

and whereas in former times, from 140 to 150 employees sorted and audited about 32,000 money order cards per day, under the new system 113 employees can handle over 50,000 orders a day and make out about 50,000 cards per day. This system has perfected the work in one branch of an important public service, and the officials who are in charge of it under the Financial Superintendent would be glad if members of the House would drop into the Union Bank building, where it is installed, and see the system in operation.

Mr. CHAPLIN: The estimates last year I see amounted to $1,109,518. What was actually spent?

Mr. MURPHY: I am informed that on account of salaries there was expended for 1923—4 $1,034,603, and for contingencies $154,108.66.

Mr. MEIGHEN: How did the government manage to get the money when it was not voted?

Mr. MURPHY: We did not—it was carried over as a charge against the present year.

Mr. CHAPLIN: When machines are introduced in the course of ordinary business the usual effect is to reduce rather than to increase the number of employees. Will the minister explain the purpose of these machines? Perhaps some of us will have to go down and see them in order to understand them properly.

Mr. MURPHY: The effect of the introduction of these machines has been the same as would have taken place in a commercial establishment. The total number of employees has been reduced; while formerly there were 140 or 150, now there are about 113. As to the actual work itself, the cards which are punched by these machines, and which form the records, retained in the department, of the money orders and the postal notes, take the place of the flimsy sheets which were formerly issued and then filed in the department. It was ascertained that it was difficult to work with these flimsy sheets, and also that a great many inaccuracies occurred. The cards used in the machines are of stiff paper and are punched in such a way as to indicate all that was formerly contained on the flimsy sheets. They are filed and retained in the department permanently; the others are retained for reference for a certain length of time. The machines, I am told, are so perfect that if in the course of the operations an inaccuracy occurs it will be automatically indicated. They are of involved construction, but the result is simplicity itself. I have extended an invitation to members of the committee to see the machines in operation, and my hon. friend (Mr. Chaplin) as a practical business man would gain much more information by inspecting them in the department than I could possibly convey to him now.

Mr. MACLEAN (York): Are there any in use in other countries?

Mr. MURPHY: They are used at Washington. Officials from here went down and observed them in operation and made a report on them before their installation was decided upon.

Mr. CHAPLIN: Are they what is known as the International business machine, or of a similar type?

Mr. MURPHY: I have not heard that term applied to them. They are known as the Hollerith system for mechanical sortation and audit.

Mr. CHAPLIN: These machines are rented, not bought outright?

Mr. MURPHY: Yes, rented.

Mr. CHAPLIN: What is the rental for each machine?

Mr. MURPHY: There are different rentals for different classes of machines. Some rent at $8.50 a month, some at $30 a month, others, such as the key-punching machines and the tabulators, rent at $57.50 and $75 a month.

Mr. MACLEAN (York): Where are they made?

Mr. MURPHY: In the United States.

Mr. MANION: Notwithstanding the fact that men have been laid off because of the introduction of these machines the total number of employees in the department has increased by twenty-five. While 821 employees are provided for in the inside service this year, there were only 796 last year. The minister said these machines would do away with some forty or fifty employees.

Mr. MURPHY: There were positions abolished during the year and there were other employees who went out at that time and were replaced by others on the staff. My statement was that if the old method had been pursued, owing to the increased volume of business there would have been an increase in the number of employees, but because of the introduction of this system the number has been kept down. When employees having a maximum salary go out they are usually replaced by others in the service at the time who come in at the minimum salary. The increase in the amount that we are asking for is but slight

compared with the number of employees who have been added. That is one of the reasons. Those who were displaced by reason of the introduction of the machines were absorbed into other branches of the department. That was one of the conditions on which the system was introduced—that there should not be any large reduction in the amount of labour employed.

Mr. MANION: I was not thinking especially of the increase in the amount of money spent, but rather of the increase in the number of employees. Even if an employee who has attained his maximum is replaced by another at a lower salary, it takes only one man to replace him. What I want to know is why there are 25 more employees in the inside service than there were the previous year, in spite of the changes due to the machines.

Mr. MURPHY: Perhaps I did not make that clear. It is due—not altogether—to the increase in business in this particular branch. There has been an increase of 25, I am informed, in the number of employees.

Mr. WOODSWORTH: The conversation may be very edifying, but we in this part of the chamber have not the faintest idea of what is going on at the upper end of it.

Mr. HOCKEN: Are these machines purchased from an American concern direct, or through a Canadian agency?

Mr. MURPHY: They are rented through a Canadian agency, I am informed.

Mr. HOCKEN: Who represents the Canadian agency?

Mr. MURPHY: They are represented in Canada, I understand, by a gentleman named Foran—not the gentleman who is secretary of the Civil Service Commission.

Mr. HOCKEN: That of course, would be very surprising.

Mr. CHAPLIN: I am not quite clear whether these machines are simply for tabulating records or whether they are used in the handling of mail.

Mr. MURPHY: They are for use in auditing money orders and postal notes.

Mr. STEVENS: Did the Customs department not try these machines and discard them?

Mr. MURPHY: Not that I ever heard of.

Mr. STEVENS: I take it that one of the objects of the introduction of modern machinery of this kind is to lessen the cost—curtail the labour cost?

Mr. MURPHY: Partly.

Mr. STEVENS: It will be observed that in the number of office appliance operators there is an increase of twenty, and in the whole department an increase of twenty-five. I have been informed that the Customs department tested these machines over a period of years, in work similar to that for which the Post Office Department is using them, and found them unsuited to government work. If that is true, and in view of the increased cost and the increase in the number of employees, this seems to be a questionable innovation, particularly if there is no saving.

Mr. MURPHY: I have never said the Customs department tried these machines for any length of time, but even if they did and the machines were found unsuitable for the work in the Customs department, of course, it would not follow that they would be unsuitable in any other department. As a matter of fact, they suit this particular work admirably, and as I have pointed out if it were not for the introduction of these machines we would have to engage at least one hundred additional employees to cope with the greater volume of work.

Mr. MEIGHEN: What is the revenue expected this year from the department, and how does it compare with last year?

Mr. MURPHY: I have not that statement on hand, but I will be glad to get it for my right hon. friend on another item, and we can discuss it then.

Mr. MEIGHEN: I think the minister has a pretty good idea; nobody would have any better.

Mr. MURPHY: At the moment I am sorry I have not.

Mr. MEIGHEN: I have no information I would want to become authority for, but I understand the revenue is less. Now, with a smaller revenue, we have a larger personnel, and all these Hollerith machines. How does the minister account for so much more money being required when the revenue received is so much less?

Mr. MURPHY: I have explained the reason for the additional amount required. As to the revenue, I have not a statement on hand, but I shall be very glad to get it and let my right hon. friend have it. As a matter of fact, the officials upon whom of course I have to rely for all this information, assure me that the expenditure would be very, very much greater were it not for the introduction of this system; that money has been saved

by its introduction; speed has been attained in the doing of the work; and, of equal importance, greater accuracy has been obtained.

Mr. MEIGHEN: It looks pretty bad if only for these precious machines we would have one hundred and twenty-five more employees than last year.

Mr. MURPHY: Provided the volume of work kept up.

Mr. MEIGHEN: Why is there such a volume of work? The post office is not increasing its functions that I know of, and it is not increasing its revenue. Why is the work increasing at head office?

Mr. MURPHY: The money order business has increased twenty-five per cent. It has been one of the most remarkable increases in connection with the department.

Mr. MEIGHEN: Does the head office here have much to do with the general money order business?

Mr. MURPHY: Yes, in connection with auditing. After these money orders have been paid and certified, they are sent in here to the Financial branch of the department, and it is there that this audit work is done, and there that the arrears of work I have spoken of have accumulated.

Mr. MEIGHEN: I suppose money is going out to pay for foreign manufactures. Where is the money all going?

Mr. MURPHY: My hon. friend knows that a man may go into the post office in Ottawa, for instance, and get a money order payable on an office in Winnipeg. The Winnipeg office deals with the payee, and when the transaction is completed as between the Post Office Department and the member of the public entitled to receive payment, these orders, and a list certified by the official in charge in the paying office, are sent to Ottawa, where the audit takes place in the Financial branch of the department.

Mr. GUTHRIE: I see there has been some change in the number of audit clerks employed. The number of senior audit clerks has been reduced from 16 to 15; one has been let out there. Then in audit clerks there is an increase from 2 to 5, an increase of three; so there has been a net increase in those two staffs of two. Then there is an increase in senior clerks of two, making the net increase four. There is also an increase in clerk-bookkeepers of one, making the net increase five; also an increase in account clerks of two, making the net increase seven. The only other increase that I notice is in the office of appliance operators, where the increase is from 61 to 81. There is one other decrease which would make the net increase in the inside staff of the Post Office Department twenty-five. That would hardly account for the large increase now asked for by the minister. Last year under this item we voted $1,109,518; this year we are asked to vote $1,143,729, an increase roughly of about $34,000. Do I understand that the whole of that $34,000 is required to pay the extra salaries of the twenty-five new assistants taken on in the department?

Mr. MURPHY: Perhaps my hon. friend was not in when I explained that of the $34,000 increase, about $28,000 in round numbers, represented statutory increases over which, of course, the department has no control.

Mr. FORKE: When is it likely that statutory increases will cease?

Mr. HOCKEN: Never.

Mr. FORKE: Then will there always be more expenditure for all time to come on account of statutory increases? It seems to me that when there are employees coming in at the bottom there will be some going out at the top, and that the time should come when there would be no increase, that there would be a balance struck. But for a number of years, ever since I came into this House, the vote on account of statutory increases grows. Will that always go on?

Mr. MURPHY: There is a minimum and maximum salary for each class. An employee begins at the minimum and receives automatically an increase each year until he reaches the maximum for his class, when the statutory increases for him stop. These are matters fixed by the Civil Service Commission, under the provisions of the Civil Service Act. But each year as my hon. friend has mentioned, there are people coming in at the minimum salaries, and therefore statutory increases have to be provided for them.

Mr. FORKE: When one new employee comes in at the minimum salary, does it not happen that one goes out at the top who is drawing the maximum salary? Or, is the staff to increase for all time to come?

Mr. MURPHY: No, the staff increases only in proportion as the work increases, only as there are increased duties to be performed. There are changes, of course, in the different branches of the department, and in the net result there has been an increase this year, as I have already explained.

Mr. BROWN: That same net result seems to happen every year.

Mr. MURPHY: No.

Mr. GUTHRIE: I would have no objection personally to these statutory increases. I think the officials are paid little enough, and in many cases they are paid too little. I understood the minister to say that of the increased vote asked for this year—$34,000 in round numbers—$28,000 was to be applied to statutory increases under the act. That would leave only $6,000 to be spent on the twenty-five new employees, or an average of $240 for each employee. Surely there must be some discrepancy there. I doubt if such a sum as $28,000 is necessary for the statutory increases. Would the minister explain that?

Mr. MURPHY: Perhaps I had better give the details as furnished by the department. My statement as to $28,000 in round numbers being required for statutory increases is substantially correct. There were 379 statuory increases, amounting to $27,900 New positions 28 in number called for an amount aggregate of $25,260. There are: Two senior clerks at $1,320; one clerk bookkeeper at $1,020; three audit clerks $960; two account clerks $960; twenty office appliance operators, grade 2, $840. Then there is an increase due to salary revision by the Civil Service Commission, $3,180, and increases due to re-organization by the same body, $1,180. Adding all these increases together we have a total of $57,520. Now, set off against that, are the following decreases: Three positions not required owing to re-organization $5,080, the difference between salaries of employees who have been promoted or who have left the service and salaries of persons promoted or appointed to replace them at lower salaries, $18,229; or a total decrease of $23,309. Deducting the total decrease from the total increases there is a net increase of $34,211. That is how the amount is made up.

Mr. CLARK: Would the minister give a statement showing the volume of the money order business done over a period of three years and the cost to the department of doing that business for those years?

Mr. MURPHY: The total number of orders issued for the fiscal year 1921-2 was 10,031,198; for 1922-3, 11,098,222; for 1923-4, 12,561,490. The aggregate values of orders issued for each fiscal year were as follows: 1921-2, $139,914,186.39; 1922-3, $143,055,119.94; 1923-4, $159,855,114.97. The total receipts from the money order business were: 1921-2, $1,852,824.62; 1922-3, $1,180,957.45; 1923-4, $1,364,110.53.

Mr. MEIGHEN: Those are the charges?

Mr. MURPHY: No, those are the receipts from the money order business. Does my right hon. friend mean by "charges" the expenditure for salaries and so on?

Mr. MEIGHEN: No I mean the commissions on the orders.

Mr. CLARK: There is a material decrease in the last fiscal year as compared with 1921-2.

Mr. MURPHY: There is an increase over 1922-3, but a decrease as compared with 1921-2.

Mr. CLARK: Just where did the increases in the volume of business come in?

Mr. MURPHY: Perhaps my hon. friend misunderstood me on that point. I was not speaking of the amount, but the increase in the number of orders handled. The increase was, roughly, a little over two and a half millions.

Mr. HOCKEN: Would the minister tell us whether he has made a definite term contract for the use of these machines, and if so for how long?

Mr. MURPHY: My information is that there is not a definite term contract. The machines are rented for an indefinite time and as long as they suit. They may be rejected or exchanged whenever the department sees fit.

Mr. CLARK: Will the minister explain why the profits of the department have decreased very materially whereas the volume of business appears to have increased?

Mr. MURPHY: The explanation, I am informed, is that there is just the same amount of work required in handling a money order for a small amount as for a large amount, and that the number of orders for small amounts has increased in number over those of larger amounts.

Mr. BOYS: How many machines have been installed and what is the total monthly or annual rental?

Mr. MEIGHEN: Perhaps before the minister answers he will permit a word of comment on his last explanation. The explanation was that the number of small orders had increased out of proportion to the number

of orders for large sums—that the amount of work on a small order was just as much as on a large order. That is the reason why—although there was a larger business, a larger number of orders, and a larger total—the profits now are less than they were three years ago. Does not the minister see that it follows from his explanation that the small order business is done at a loss?.

Mr. MURPHY: In reply to my right hon. friend I would say we would lose a great deal more if the other system were in vogue.

Mr. MEIGHEN: What other system?

Mr. MURPHY: As indicated by a question a short time ago the amount is determined by the commissions paid. There is the variance that was mentioned, there is no doubt about that. In reply to my hon. friend from South Simcoe (Mr. Boys) who inquired as to the number of machines in use—

Mr. BOYS: And the monthly or annual rental paid.

Mr. MURPHY: —I may say there are 30 key punch machines at $8.50 a month; 13 sorting machines at $30 a month; 7 tabulators at $57.50 a month; and 1 tabulator at $75 a month. Then besides, in the postal note division, there are 12 key punch machines at $8.50 a month; 4 sorting machines at $30 a month; and 3 tabulators at $75 a month.

Mr. BOYS: What is the total amount for the two departments?

Mr. MURPHY: The total is $18,834.

Mr. MEIGHEN: I am not very much impressed with the minister's comment on my argument. I tried to show him that if he gave a right account to the hon. member for Burrard (Mr. Clark) of the reason for the loss of profits notwithstanding the increase in business— it must mean that he is losing money on his small orders. When I pointed out that, his answer was that if we had done it the other way we would have lost more. I do not know what the "other way" is, but I would advise him not to get into a worse way. Surely the country is not going to understand that on the small order business of the Dominion it is losing money.

Mr. MURPHY: No.

Mr. MEIGHEN: That must be the case, or the answer the minister gave to the hon. member for Burrard is wrong.

Mr. MURPHY: I think my answer was correct.

[Mr. Meighen.]

Mr. MEIGHEN: Could the hon. gentleman not speak as to a particular year? A certain year, let us say, thirty per cent of the business is small order business and seventy per cent large order business. That year the profits are so much. Now in a later year there is forty per cent of the smaller business and sixty per cent of the larger business, but there is far more business and the profits are less than they were previously. Now, to account for a less profit it must be that the small order business loses money. If it all makes money, then the more business there is the more money is made, in all classes. But there is less money made. Therefore it cannot all make money. Why is it we are doing a great class of our business at a loss?

Mr. MURPHY: There may be less money made, but that does not of necessity entail a loss. It is the difference in one year compared to another.

Mr. MEIGHEN: If there is less money made because of an increase in a certain character of business, it must be because that certain character of business is a losing venture.

Mr. MURPHY: No. I will point out now something which I overlooked before, that there was a change in the rate of exchange which made a difference. A higher rate of exchange had to be paid to the United States than previously.

Mr. MACLEAN (York): Would it not reduce the expenditure if the business of sending money through the post office were encouraged and the public were offered the opportunity to keep deposits in the post office savings banks, cheque out the money and have the cheques marked good in the office where the money was deposited? The big department stores keep deposit accounts for their customers and money is chequed out in that way. There is no great bookkeeping required and the system is very simple. I think we have a system in connection with the postal notes and money orders which is altogether too elaborate. This method could be simplified by allowing the public to keep deposits at the post office, to issue cheques for any amounts they desire to withdraw, and to have the cheque marked good, as is done in the banks.

4 p.m.

Mr. MURPHY: My hon. friend has touched upon a point that he and I have discussed more than once. A change has been made by allowing depositors to withdraw up to the sum of $25 without going through the for-

mality of notice. The extension of that system has been under consideration, but it has to be borne in mind that what my hon. friend has in mind is rather a savings bank branch of the Post Office Department. Properly speaking it is not a part of the Post Office Department; it is in point of fact more properly a branch of the Department of Finance. Originally it was attached to the Post Office Department for the convenience of the public. The banking business is no part of the postal service. The post office savings bank, as I understand it, was designed to encourage people to deposit their savings and keep them there. A man may deposit money in the ordinary savings bank branch, but will proceed immediately to issue cheques. The two purposes are at their root different. But the suggestion of my hon. friend is well worth considering, and I will bring it to the attention of the superintendent.

Mr. CLARK: I desire to draw the minister's attention to the fact that in the statement he gave to the House a few minutes ago he said that in the total number of money orders issued there had been an increase of 25 per cent. Now in addition there has been an increase in the total amount of money orders of about twenty-three per cent, and yet there has been a decrease of approximately thirty per cent in commissions or profits earned by the department. That is something I cannot understand.

Mr. MURPHY: There is an increase as between last year and the year before. My idea is that the amount would be approximately as great were it not for the exchange which has to be paid on business with the United States.

Mr. SPENCER: Has the department considered purchasing the machines that have been mentioned?

Mr. MURPHY: No, the company owning them will not sell them.

Mr. MACLEAN (York): The hon. minister says they will not sell the machines in this country. I say then that they should not be allowed to dictate the terms. When a company or anybody comes to this country and obtains a patent and is protected by that patent, if the government require the use of that machine, the government should compel them to deliver it to us.

Mr. MURPHY: Perhaps I should have added in my explanation that an important part of the arrangement—and I have no doubt my hon. friend and the leading business men of the country know it—is that the company undertakes to keep the machine in working order, so that no time is lost. That is a very important point.

Mr. HOCKEN: Typewriter companies adopt the same method, but they sell the machines.

Mr. CHAPLIN: The companies do it for no other reason than that it is a matter of great importance to them in the way of profits.

Mr. MACLEAN (York): And it savours of monopoly.

Mr. LEWIS: Could the minister tell us the total revenue derived from the sale of these postal notes to the public?

Mr. MURPHY: For the last year it was $1,364,110.53.

Mr. LEWIS: Is that less than what is paid to the postmasters for preparing the notes?

Mr. MURPHY: I did not grasp the question.

Mr. LEWIS: The postmaster receives a certain amount for issuing the notes, and I am asking if that amount is the total revenue.

Mr. MURPHY: No, that does not include the item mentioned by my hon. friend. That is just the total amount of commission.

Mr. MEIGHEN: I have been thinking over the explanation the hon. minister gave for having voted last year $145,000 on contingencies and spending a lot more. His explanation was that there was still more to be voted. They anticipated the vote this year. Did they do it by Governor General's warrant?

Mr. MURPHY: No.

Mr. MEIGHEN: Out of what account did the money which was spent come?

Mr. MURPHY: The amount was not raised, but was charged against the amount which is asked for this year.

Mr. MEIGHEN: You have to have cash to pay cash. Where did the actual cash come from? There was no cash there. You might charge it against this year if this year's money was voted, but where did that money come from? It must have been a case of misappropriation if there was no money voted for it.

Mr. MURPHY: The only explanation I have is the one given me which I have transmitted to the hon. member. If there is any other I shall be glad to get it.

Mr. MEIGHEN: Some money has been voted against which these cheques were issued. There must have been. It is a pretty free and easy way just to vote the money out of "any old" account and say: "Oh well, it will be voted next year in parliament". By the way, I noticed this morning in one of those press announcements with which the government always precedes an official statement of disaster the fact that this year's estimate is going to be made a lot less than last year's, by the very ingenious device of increasing last year's. Is this to be an instance?

Mr. MURPHY: My right hon. friend must refer to some other department.

Mr. MEIGHEN: I suppose the same may apply to a few others as well. This explanation was very amusing and I hope it struck other hon. members the same way. I cannot help admiring the courage of a government that foreshadows a campaign of economy by the process of increasing the expenditures of the year previous. Now, if the government has not yet had this money voted and has spent it, and if there was no Governor General's warrant to authorize the expenditure, then it must have been against an account the moneys of which were voted for a totally different purpose.

Mr. MURPHY: The only explanation I have had is the one I have given. If there is any other I shall get it and shall be glad to submit it to the committee.

Mr. CHAPLIN: A moment ago the minister referred to a loss by the department by reason of a loss in exchange. How could the department suffer any loss in exchange?

Mr. MURPHY: It was not a loss in exchange. The difference in the amount inquired about is due to an increase in the exchange which had to be paid to the United States.

Mr. BOYS: But surely that difference would be collected from the customer at the time of the purchase of the money order. I am quite aware that at one time you could not send five dollars to the United States without paying difference in exchange but one would have thought that this difference between the currency of the two countries would be charged the customer and that the government would suffer no loss.

Mr. MURPHY: There is a certain fluctuation in the total amounts, and the question was asked as to the reason for the difference between one year and another. The explanation that was given me I have already submitted to the committee.

[Mr. Murphy.]

Mr. LEWIS: What percentage of the revenue goes to the local post office, and how much does the department receive?

Mr. MURPHY: I presume the question refers to the money order business. In the revenue offices the percentages are, four cents to the postmaster issuing the order and one cent to the postmaster paying it.

Mr. LEWIS: I understand that. I want to know what percentage of the million and odd dollars goes to those who issue and pay the notes, and what percentage of this total goes to the department.

Mr. MURPHY: I might best answer that question by submitting the following statement:

Receipts	
Commission from public..	$1,240,961 22
Profit in exchange with other countries..	87,278 98
Void money orders issued between January 1, 1922, and December 31, 1922..	35,870 33
	$1,364,110 53

Expenditure	
Approximate cost of clerical force employed at money order duties in city offices.. ..	$ 205,000 00
Commission paid to postmasters at country offices..	449,950 53
Balance of commission paid other countries..	31,589 73
Printing and stationery for head office.. ..	40,150 49
Financial papers and journals..	15 00
Printing, stationery, date stamps, etc., outside service..	109,982 49
	$ 836,688 24

This shows an excess of receipts over expenditure of $527,422.29.

Mr. LEWIS: Does that $527,000 pay for the staff and machinery connected with the service?

Mr. MURPHY: No; we pay these operators out of the vote which is before the committee.

Mr. LEWIS: I want to know whether the revenue derived pays the total expenses connected with it.

Mr. MURPHY: Yes, it does.

Mr. CHAPLIN: The minister has already explained the expenditure for two specific years which he compared, one of which carried a much larger number of postal orders than the other, and for the difference he gave two reasons: First, the receipts of one year's business were less than those of the other owing to a smaller number of orders having been issued; second, there was a loss of revenue owing to a difference in exchange. I

do not yet understand that question of exchange, because I cannot see how this country could sustain any loss whatever by reason of a difference in exchange. I want that thoroughly explained.

Mr. MURPHY: The difference in exchange, of course, had to be charged to the public.

Mr. CHAPLIN: Oh, that answers the question. Then there was no loss to the government on account of exchange?

Mr. MURPHY: No.

Mr. CHAPLIN: That is all charged to the public who buy the money orders?

Mr. MURPHY: Yes.

Mr. CLARK: Then we are to understand that no portion of this loss of $500,000 is to be accounted for by any difference in exchange?

Mr. MURPHY: No.

Mr. CLARK: What does account for the loss, then?

Mr. MURPHY: There is a difference between the two totals but there is no loss.

Mr. CLARK: There is a distinct loss of some $500,000 and I understood the minister to say that no portion of that loss was to be accounted for by the question of exchange.

Mr. MURPHY: We do not call it a loss; I think my hon. friend has got hold of the wrong term.

Mr. CLARK: There is a difference in the total returns to the department.

Mr. MURPHY: Yes, the total receipts in money order business.

Mr. CLARK: That is to say, in commissions earned by the department; and no portion of the loss is accounted for by exchange. Is that correct?

Mr. MURPHY: Yes.

Mr. CLARK: Where, then, does the exchange come in? It does not come in at all, and what I want to know is what accounts for the loss of $500,000 in commissions.

Mr. MURPHY: If the exchange were, say, two per cent, that amount would enter into the transaction and would go to make up the total.

Mr. CLARK: But the purchaser would pay it, not the country, so that the question of exchange does not enter at all.

Mr. MURPHY: The purchaser has to pay both, but in settling accounts between the countries we have to pay out the difference in exchange to the United States.

Mr. CLARK: But you have already received it. My point is that the department's commission or profit is represented by the last figures given by the minister. If the purchaser of money orders pays this exchange, how can the country's revenue be affected by even one cent?

Mr. CHAPLIN: Do not the figures given by the minister a moment ago demonstrate the fact that the country is ahead on exchange? In other words, according to the figures the customer is charged more money than the actual difference on the exchange; there is a profit on the exchange business besides.

Mr. MURPHY: My hon. friend is correct according to the situation as it exists.

Mr. CLARK: Will the minister give the House the reason for this decrease in revenue earned by the department from 1920-21 to 1923-24?

Mr. MURPHY: The only explanation is that the money is at par, and therefore now there is very little charged as against what was formerly charged.

Mr. LADNER: Surely the money being at par would not enter into the question of exchange at all.

Mr. MURPHY: Perhaps I should have said —almost at par.

Mr. LADNER: Has not the department accurate, intelligible figures to give us some idea of the disposition of the $500,000? Other members may have been able to analyze the difficulty, but I certainly have not been able to.

Mr. CHAPLIN: Will the minister give us again the total business for the two years under discussion?

Mr. MURPHY: The total receipts from the money order business in 1922-3 were $1,180,-957.45; in 1923-4, $1,364,110.53.

Mr. CHAPLIN: Evidently the explanation is that in 1921-2, when the difference in exchange was greater, the government made a bigger profit on exchange than they are doing to-day when it is almost at par.

Mr. MURPHY: The explanation given me is that this year, when exchange is nearly at par, we are not collecting so high a rate.

Mr. CHAPLIN: You are not collecting so much money.

Item agreed to.

AGRICULTURE DEPARTMENT

Agriculture—Dairying, including grant of $3,000 to the National Dairy Council, $230,000.

Mr. SPENCER: What is the exact function of the National Dairy Council?

Hon. W. R. MOTHERWELL (Minister of Agriculture): Mr. Chairman, it is an organization of dairymen extending from the Atlantic to the Pacific. It exists in addition to the provincial organizations. Its chief functions are: to keep track of the general dairy interests of Canada; to propose any new or any amended legislation that they think is required; and to see that the law is observed. Some members of this Council are now attending a series of conventions extending from Quebec right through to British Columbia. The work is of an educational character. Formerly the vote was in the miscellaneous items. It cannot be paid out of the main vote without indicating the character of the grant.

Mr. LEWIS: We should have some explanation of how this money is expended.

Mr. MOTHERWELL: Mr. Chairman, as my hon. friend, I think, knows, we have recently introduced a system of grading of dairy products, principally carried on in the city of Montreal, but elsewhere as well wherever it is convenient to do so. This involves a certain amount of additional expense, but it has not necessitated any expansion of the grant, we having dropped some other work. Cow testing was discontinued last year, and handed over to the live stock branch. There is a considerable amount of educational and inspectional work going on all the time, but more particularly in connection with the grading of dairy products and infractions of the law. I am sorry to have to report that in certain centres there is a disposition to put on sale adulterated butter. It takes a good deal of care on the part of our officers and a considerable staff to check up this adulteration.

Mr. FORKE: What is the butter adulterated with?

Mr. MOTHERWELL: Oils—cocoanut oils, chiefly. We have only one report of an infraction of the law of that nature which got past the dairy graders. It is not always easy to detect the adulteration without an analysis. These are some of the activities of the dairy branch. The work of the combined creamery and cheese factory in the town of Finch, with which the hon. member (Mr. Kennedy, Glengarry) and others are familiar, is now completed. The work done there during the last twelve years has shown that a factory of fairly large proportions can be run much more economically and on a better basis than the small factory. I notice that the Ontario government is carrying out the same idea this year, that of encouraging the consolidation of small factories for the purpose of keeping down overhead and increasing the turn-over. This work having been completed we have sold the property at Finch and it has gone into private hands. We may later take up a similar demonstration for the province of Quebec.

Mr. ROSS (Simcoe): Do we understand that this adulteration takes place in the creameries or butter factories? Or is it done by the dealers?

Mr. MOTHERWELL: Very little of it is done in the creameries.

Mr. ROSS (Simcoe): Where is it done?

Mr. MOTHERWELL: It is done in the cities, where people make a business of buying butter and adulterating it.

Mr. ROSS (Simcoe): By dealers?

Mr. MOTHERWELL: I think we have only one case reported of its being done in the factory.

Mr. CALDWELL: It is not done by individual farmers?

Mr. MOTHERWELL: Oh, no. I am glad to say that the farmers' product is improving from year to year. It was very much needed for some of them.

Mr. LUCAS: Has the minister's department done anything in regard to setting up a uniform standard of grading of dairy products for the Dominion?

Mr. MOTHERWELL: A uniform system of grading has been in force wherever grading is done provincially. It is only recently that grading has been done federally. The system of appointing butter graders is not yet quite uniform. In the three prairie provinces, where they started it first, we have adopted their grade certificates; that is to say, we have adopted their grades as federal grades in order to avoid overlapping. There is often some little mix-up in a system which is largely federal but which is provincial in some aspects; for example, sometimes by mistake these provincial certificates are issued, and follow the butter, instead of the federal cer-

tificates. The chances are that in time we will take over that grading in the three prairie provinces and make the system uniform. As to the scale of points and the score cards, these have been adopted by the federal authorities in conjunction with the provinces and are practically uniform.

Mr. BANCROFT: Is the grant to the National Dairy Council an annual grant?

Mr. MOTHERWELL: Yes.

Mr. KENNEDY (Glengarry and Stormont): Is it the intention of the department at any time in the near future to adopt a system of grading of dairy products for home consumption as well as for export?

Mr. MOTHERWELL: As soon as there is any demand for it. We find that the public have about all the grading they care to stand now. You have to carry out these reforms more or less gradually. When it is remembered that we have adopted an entirely new system in the matter of the grading of cheese and butter for export, completely reversing the practice that had previously prevailed for thirty years, I think it will be agreed that we have done fairly well even in adopting a grading system for export alone. The home market has grown up as the result of a taste acquired by the public over a long series of years, and I do not think the people are demanding a system of grading of dairy products for home consumption. It would mean, of course, an increased number of inspectors and a greater cost. It will be a few years yet before the system of grading for export is fully accepted by the British importer, so we might wait a little while, before going further along the line my hon. friend suggests. I understand that some of it is already graded voluntarily. The same principle is adopted in regard to the inspection and grading of eggs; it is not a new principle. We have considered it inadvisable just at present to go beyond this voluntary grading.

Mr. KENNEDY (Glengarry and Stormont): I am disappointed at the remarks of the minister in this connection. If I remember rightly, in the course of a conversation I had with him last year he said that so far as the grading of dairy products was concerned, Canada was twenty years behind the times—

Mr. MOTHERWELL: Yes, that is right —not quite twenty, perhaps.

Mr. KENNEDY (Glengarry and Stormont): —and if that is true his department should not hesitate to make up some of that time. His system of the grading of dairy products for export has been working out admirably. But the neglect to grade dairy products for home consumption means that second-grade and third-grade cheese and butter are left for our Canadian consumers, and as our own people are not getting a first-class article they are not consuming as much of our butter and cheese as they should. Moreover, some of our cheese factories and creameries are working up a local trade, and in the absence of any system of grading they are making a low-grade product, or are at least failing to come up to the standard of the number one grade. One of our inspectors in Ontario recently showed me some figures with respect to last year's operations which demonstrated clearly that the factories catering to home consumption are not coming up to the requirements, are producing a high percentage of second grade cheese and butter For that reason I would urge upon the minister the desirability of requiring cheese and butter for home consumption to be graded as in the case of cheese and butter for export.

Mr. MOTHERWELL: My hon. friend has presented the case exactly as it is. It is a question, to some extent, of cost of operation, and also of the advisability of going ahead rapidly or otherwise. We have taken some pride in making progress. We started out late in the day in the matter of grading. If my hon. friend knew the number of kicks that have come into the department against the new regulations—not so much now against the dairying end of it, but at the beginning they were very numerous—he would be more fully seized of the importance of going slowly in the matter of these reforms.

Mr. KENNEDY (Glengarry and Stormont): Where are the kicks coming from?

Mr. MOTHERWELL: I am free to admit, from the least important factor. However, I will be very pleased to take my hon. friend's suggestion into consideration, and if we can introduce about another three or four more graders we will probably do it, but every time we inflate the civil government list, there is always someone wanting to know, "What does all this mean?" So we have some hesitation in making the necessary explanation as to why this expansion. As a matter of fact, we have been starved all along the line, and if I had the freedom of expression I would like to have, I would tell my hon. friend that I would like to be able to meet him to-morrow, because after all we have adopted the very same principle he suggests in the matter of grading eggs. There is not much demand for it yet from the public. The objection has been on the part of the middle-

men,—the objection always is from them. They say we are interfering with their trade, that their trade is in danger to some extent. It is the old story that dates back to the early days of humanity—our trade is in danger. They do not like change.

Mr. THOMPSON: How many graders are employed by the government in grading cheese, and what are their duties?

Mr. MOTHERWELL: Their duties are to grade and inspect the cheese. The principal graders are stationed at Montreal, because that is the converging point in the export trade. There are two or three other places in the province of Ontario where grading is done. I have the names and salaries of the graders here. We have some twenty graders scattered throughout the Dominion, in addition to the ones we accept from the prairie provinces.

Mr. SUTHERLAND: How many points are there in Ontario where this grading is being done?

Mr. MOTHERWELL: Belleville and Toronto; there is also one in London part of the time. A great deal of the produce of Ontario, however, naturally gravitates to Montreal and is graded there, especially from the eastern part of Ontario. It would be very convenient if we had more places where grading could be done, but the more places you have the greater the expense.

Mr. THOMPSON: Why is it that the government does not stand behind the grader's grading? I have in mind several cases where the graders have graded cheese as No. 1, and then it went over to the Old Country and was graded there as No. 2 or No. 3, and the buyer was billed back for it. And the government has so far refused to stand behind their own grader's grading; the buyer has had to bear the loss. I think this works out very unfairly to the buyer, and the government should certainly stand behind their own grader's grading.

Mr. BROWN: Do we understand that in the eastern provinces there is no such grading of cream in the butter factories as we have in the west? Is the grading simply done on the manufactured product?

Mr. MOTHERWELL: Anything that comes under the question largely of production is left to the provinces to take care of. We are trying to find a line of demarcation between provincial and federal activities, and speaking generally those activities that have to do with production are left to the provinces, and matters respecting marketing and grading are left to the federal authorities. So the question of cream grading in the west has been a provincial matter, for some time. Hon. John Martin has introduced a bill in the Ontario legislature, however, for the compulsory grading of cream, for the first time in Ontario.

Mr. BROWN: That is just what I wanted to know, whether they had a system of grading.

Mr. MOTHERWELL: Replying to my hon. friend from East Hastings (Mr. Thompson): It takes more than one or two years to build up a grading system that would be recognized by the British or any other market. They have been accustomed to private brands alone in the past, and may be buying on consignment. While we have adopted a grading system here, they have not become sufficiently familiarized with it yet to buy entirely on the basis of grade, but as soon as they get sufficient confidence in it and find that the grade is as indicated on the box, they will gradually accept our certificates at their face value. I do not know what my hon. friend means by saying that we do not stand behind the graders.

Mr. THOMPSON: I say that cheese is sold here according to the government grader's grading. It will be graded No. 1 here, and sold as No. 1, and quite often the grade is changed when it gets to the Old Country to No. 2 or No. 3. The old country merchant refuses to pay for the cheese, and the government so far has refused to stand behind their own grader's grading.

Mr. MOTHERWELL: I think I understand my hon. friend's point. It involves a pretty long story but I think I may take two or three minutes to try and explain the difficulty to him and other hon. members. Of later years the practice has been to ship cheese in a very green state. Just as soon as it has solidified enough on the shelf, and when it is still merely a bundle of curd, a great many factories are desirous of shipping it out. Obviously we cannot get a fair grading on cheese in that condition, and sometimes our graders absolutely refuse to grade it, because it is too green to get a grading that will do justice to the cheese and to the grader. In the Antipodes they do not have that difficulty because they have adopted the system of holding the cheese for a certain length of time before grading is permitted. In addition, after their cheese has been graded, there is a long voyage which permits further maturing before the cheese reaches the market. In the case of

green cheese it is impossible to anticipate what bacteriological action will develop before it reaches its destination, and the graders have simply to do the best they can with that class of cheese. We expect to bring down legislation this session trimming up some of the shortcomings of our present Dairy Act, and the only thing I can suggest at the moment is that this question may possibly be dealt with by providing that the cheese must be, say, two weeks old before it can be removed from the shelves of the factory in which it is made. That would ensure a certain degree of development that would enable the grader to make a fair grading of what the cheese was likely to be at the end of its journey. The situation now is unsatisfactory, and the whole question is, how soon can we put that pressure on? I must make the statement now that a number of other improvements are necessary in the dairy industry in order to make our products more acceptable in the British markets. If my hon. friend thinks that to have cheese two weeks old before leaving the factory would be an improvement I agree that it would be a very substantial advance. We will probably make the change anyhow, but I do not think the period should be any longer than that. In order to know where they stand with regard to their returns from the farm people want to realize their profits. The urgency of their financial requirements necessitates their getting the returns from the sale of the cheese as quickly as possible.

Mr. TOLMIE: Will the minister be good enough to give us an outline of the improvements that will be necessary in order to place our dairy products on an equal footing with the products of other countries in the British market?

Mr. MOTHERWELL: It is not usual to anticipate possible legislation; that is usually talked over in council before it is brought down. I think I may say, however, that one of them will deal with the boxes. The cheese boxes, for example, certainly need to be of a better design. We have had photographs taken by our own officials in Great Britain of boxes of cheese on their arrival in that country. We have also had photographs taken by disinterested friends, Canadians visiting England; and really the dilapidated condition of these boxes is enough to spoil the sale of the cheese, and would really have that effect were it not for the quality of the product itself. When these boxes of cheese arrive in such a topsy-turvy condition it is most objectionable to possible purchasers and always hurts the sale of the product. The same objection does not apply to butter boxes as to the present cheese boxes. I think the type of cheese box used in Canada will have to be remodelled; as a matter of fact the kind of wood employed in the manufacture, they tell us, is becoming exhausted in this country. So, in any event, we will be obliged to change the style of box. Every time the boxes of cheese are moved or handled they suffer deterioration. On arrival in Montreal when they are placed in the freight shed other breaks occur; in fact a break occurs every time the box is handled. With every process of handling the condition of the box becomes worse, notwithstanding the fact that it is wired; and the handling the boxes receive from the dockmen reduces them to a mass of wreckage by the time they reach the docks in Great Britain. I am not exaggerating in the least. As I say, I have seen photographs of cheese boxes as they arrived overseas and their condition was greatly to be deplored. I hope I shall have the support of hon. members—I know I shall be supported by my hon. friend from Victoria City (Mr. Tolmie)—in endeavouring to effect an improvement. The Australian and New Zealand box seems to me to be the ideal article; it is a six sided box, two cheese deep.

Then there is the question of the adulteration of butter with any kind of oils. In this connection I think something must be done besides merely prosecuting the offender. What does the prosecution amount to as a rule? The magistrate imposes a low fine; sometimes he lets his sympathies run away with his judgment. In addition to instituting a prosecution I think we should have power to prohibit any factory found, in proceedings before the courts, to be guilty of adulteration with various oils in the manufacture of butter, from exporting for a certain period of time. That course was adopted by the food board. I do not want to quote the food board as an ideal example, but that was one plan to which that body had recourse and it proved effective. I think we might also, in the case of butter, prevent the exportation where adulteration has been shown to have been practised.

Mr. SUTHERLAND: Why the difference between butter for export and butter intended for home consumption?

Mr. MOTHERWELL: There is a difference. No producer should be allowed to pursue a course which would have the effect of destroying our foreign market. So far as home consumption is concerned we are assuming that

the Canadian consumers will soon detect the fact, in the event of there being adulteration, and will manifest their resentment. The guilty parties also will be condemned by our own producers. If the practice were persisted in I think we might almost go to the length of closing the factory.

Mr. SUTHERLAND: In other words, anything is good enough for the home consumer, but we must have a first-class article for export.

Mr. MOTHERWELL: Everybody recognizes that the home market in Ontario, and some of the other old provinces is not very fastidious, otherwise we would not be so long in getting an improved product.

Mr. KENNEDY (Glengarry and Stormont): The home market for both butter and cheese is an important one and should be cultivated. If the Department of Agriculture does not take the lead very soon in seeing that the grade of butter and cheese for home consumption is improved, we shall be using before very long New Zealand butter—

Mr. MOTHERWELL: Hear, hear.

Mr. KENNEDY (Glengarry and Stormont): —and Danish butter.

Mr. MOTHERWELL: Just what will happen.

Mr. KENNEDY (Glengarry and Stormont): I think that is a very important reason why we should lose no time in grading all butter and cheese consumed at home. I was somewhat alarmed by the statement of the minister of the recommendation he is going to make as to the time the cheese may be left on the shelves of the cheese factory. I think his object would be accomplished by refusing to grade cheese or butter under a certain age instead of requiring that the products be allowed to remain on the shelf for a fixed period of time.

Mr. MOTHERWELL: It would involve a lot of handling in Montreal.

Mr. KENNEDY (Glengarry and Stormont): That might be true but I would point out that some factories have no cold storage facilities, and to require them to keep cheese or butter on their shelves under those circumstances would involve hardship and difficulty.

The minister spoke about the factory at Finch, and its disposal to a private concern. I should like to know a little more about the disposition of that factory, and the compensation which was paid to the factories on each side of the Finch dairy station?

[Mr. Motherwell.]

Mr. MOTHERWELL: I may say that the patrons were first given the opportunity to buy this factory, and the conclusion was almost arrived at that they would do so. On second thought, however, the patrons concluded that it would be better for an outside company having a chain of creameries to acquire the factory if they would pay the desired price. It was thought it might be better for an outside body, a vigorous, thrifty institution that could do the very best for the patrons because of their financial abilities, to take over the property. It was sold for $25,000. We assume that that paid all the expenditure that was put into the factory, so that we got the educational value of the institution without any expense to the country. I am not familiar with the early history of the factory, but I understand that some twelve years ago there was compensation paid, and the expenditure covered two factories. We have not got the detailed information. We find, however, that the work of that consolidated factory, if I might call it so, expanded so rapidly that it enveloped two others more or less—one entirely and the other partially. One was owned by, I think, a Mr. Maclean. The amount of compensation in that case was arrived at by arbitration and was fixed at $3,000. The other amount, reached by a similar method, was $500. The principle of compensation was recognized at the beginning; I do not think we could go in and wipe out a man's investment without giving some compensation.

Mr. KENNEDY (Glengarry and Stormont): Did these men agree not to reopen their factories.

Mr. MOTHERWELL: That was the agreement.

Mr. THOMPSON: We have regulations on grading. Do they not cover the improvements which the minister has outlined. In the first place he is speaking of cheese which is too green. If I understand the regulations aright, it is the grader's duty to hold the cheese until they are properly cured and fit for market. If the boxes are not up to the standard the grader's duty at the present time and under the present regulations, is to put them in a lower grade.

Mr. MOTHERWELL: What does the hon. member suggest? Would it be better to move them right up to Montreal, or wherever they are to be sent, and let them stay there in proper storage the required length of time?

Mr. THOMPSON: Is that not what you have just outlined in the present regulations?

Mr. MOTHERWELL: Yes, they have that authority and they exercise it, but it involves a lot of extra handling, and that means extra expense. I think it would be better for the factories to do what they are doing, and hold it in the factory. But then we would have one constant complaint from the factories that we are holding it too long. I am prepared to take into consideration any suggestions as to which is the better way. I think the custom in the Antipodes is to keep it in the factories of production. It is kept there, and each factory can store it in its own accommodation. If we adopted that system it would not involve such a lot of expense in re-handling at Montreal. I admit that in some of the local factories the place for storage is not of the very best. Frequently they have no control of the temperature; consequently that would be an additional argument why you should ship it to Montreal or some other place, keep it at the proper temperature, and grade it when it matured. It is a question of expense. The best way is not always the practical way because of the additional cost involved.

Mr. SUTHERLAND: With regard to the question asked by the hon. member for East Hastings (Mr. Thompson) a moment ago as to the government standing behind the grading of cheese, the question asked was as to cheese which had been graded as No. 1. The minister in his answer referred to cheese that was green and unfit for shipment going to the hands of the grader. The grader certainly would not grade it as No. 1. The hon. member for East Hastings asked about cheese which had been graded as No. 1 by the grader here, and when it reached the Old Country was reduced to second or third grade. What about conditions of that kind where the loss falls on the shipper? That is the question the hon. member asks. The minister endeavoured to make it appear that the cheese was going there too green. If it was too green it would certainly be placed in the lower grade by the grader and not as No. 1.

5 p.m.

Mr. MOTHERWELL: No, it might have the elements of No. 1, but you cannot estimate what bacteriological action may develop on the voyage across. We have the same trouble with anything that is perishable. Butter is subject to change and is very difficult to grade arbitrarily in such a way that it will "stay put". Eggs and cheese are in the same category. The sooner you get butter and eggs on the market the more likely they are to hold their grading. With regard to cheese the more it matures before being graded the more likely it is to retain that grade. Of course, we have to take the chances of the grading in mixed shipments and having the article hold its grade. I think we have been shipping out too early and taking too many chances on the grade being held. Those are the conditions under which we feel we have something to learn yet in the matter of grading cheese, and even after we have learned it all, as long as it is graded in the neighbourhood of two or three weeks old, there will always be a liability of some of it going wrong. When butter is three weeks old and unpasteurized we have to grade it. In case it is pasteurized we have to regrade it if it is six weeks old.

Mr. SUTHERLAND: Will eggs require regrading?

Mr. MOTHERWELL: You have to have regrading to allow for deterioration.

Mr. THOMPSON: I think the explanations given do not apply to conditions in East Hastings. The cheese are held there until they are properly matured for grading. The cheese board have regulations to that effect, and no cheese is allowed to be offered for sale until they are matured. In that section I have known cases where cheese properly matured, as I have stated before, have been graded as No. 1, and regraded in the Old Country, and billed back to the buyer. The buyer has paid on the cheese according to the government grader's grade, and it so suffers a great injustice. If this government appoints graders throughout to grade these cheese, in my opinion they should stand behind the grade given. If not the grading is practically a farce.

Mr. MOTHERWELL: I do not think the hon. member understands the grading system at all; otherwise he would not talk in the way he has;—he will pardon me for my frankness. No government stands behind the grader's grade under the grading system of which he speaks. As far as humanly possible, it is graded according to the judgment of the grader. Who gave the buyer the authority to regrade our cheese? He is interested in grading it down. They can put it at what they like. We have to build up as near as possible a uniform grade according to our conceptions of what is proper, and the provinces aim at making that as near as possible what the consumer on the other side wants. Let me draw attention to the oldest system of grading that I know of in Canada; that is in respect to our grain. You can send a consign-

ment of No. 1 or No. 2 northern to Great Britain, and it may be a little bit off the grade when it gets there, but there is no such thing as the government making good the discrepancy. That is not right. The idea is that, as near as humanly possible to make a grade by physical eye test, that is done, and if you keep it uniform and up to that, that is all the buyer on the other side expects. Every time, however,—and there is where the penalty comes in whether it be butter or wheat—every time a consignment goes over a little off in grade, that induces the buyer to bid less than he would otherwise because he knows he is getting an inferior article. The more we keep up to the standard the better and steadier will be the bid on the other side.

Mr. SPENCE: There seems to be a difference between the department and the shippers of cheese as to the interpretation of the law. The hon. member for East Hastings (Mr. Thompson) says you cannot ship cheese to the Old Country unless it is matured. The minister says you can ship it when it is two weeks old. Why endanger the cheese shipping industry by allowing shippers to ship before it is properly matured? The hon. gentleman says that is the law.

Mr. MOTHERWELL: There is no law insisting on that.

Mr. SPENCE: There is no law insisting on the people holding cheese until it is properly cured?

Mr. MOTHERWELL: No.

Mr. SPENCE: Then the department is using very bad judgment, because you should not endanger the business of the country by allowing cheese not properly matured to go out.

Mr. MOTHERWELL: We thought we were doing very well to get it started. We have inserted the thin end of the wedge, and got the principle of grading cheese fixed. We propose to tighten it up where it is weak. After thirty or forty years of grading western grain you will find, after the Grain Act comes down, there will be some amendments. If that be so in the case of a system that has been in vogue for over a quarter of a century, it is not to be wondered at if after two years we find it necessary to iron out some of the shortcomings in the present grading system. What we have at present is as stringent as the people will submit to at the outset. When the bill comes down I think we shall be able to satisfy the hon. member as to the length of time the cheese should remain either on the shelf or in storage before it is graded.

[Mr. Motherwell.]

Mr. SPENCE: So far as I know, there is always a good market for Canadian cheese in Great Britain and I think the minister ought to bring down a law this session to compel the producers to hold their cheese until it is properly matured. There is no particular objection to having another law, for God knows we have had hundreds of laws enacted in this House since I have been here.

Mr. MOTHERWELL: I was asked a question as to certain changes and I referred to them. It is not usual to anticipate legislation.

Mr. TOLMIE: When we are preparing for the development of our dairy industry, particularly from the standpoint of our access to the foreign market, it is well that all our standards should be raised at the earliest possible date so as to enable us to meet the keen competition of other countries. New Zealand by a strict grading system in butter, and in cheese particularly, shows signs of outstripping us in the British market, notwithstanding that we had a reputation of being the greatest cheese exporting country in the world two or three years ago. Since that time New Zealand has come into the market with a more uniformly reliable article and has been able to outstrip us in Great Britain. The minister at the earliest possible moment should take such steps as would enable us to compete with such countries as New Zealand, Australia, Denmark and other places supplying the British market to-day. We all know what excellent results have attended the grading of eggs, and if we adopted in the case of butter and cheese regulations similar to those that are in force in the grading of eggs I am sure our position would be greatly improved and we should be able to compete with other countries with greater success. We should pay particular attention to the home market and supply that market with such goods as would keep out competition from the outside. We have conditions that are favourable to the production not only of dairy products but of all varieties of farm produce, and with such advantages as we possess we should be able at least to keep out of the home market the foreign competition which otherwise would work to our great disadvantage. This can be done if we go about it in the right way.

Mr. KENNEDY (Glengarry and Stormont): Are our exports of butter shipped in boxes bearing the grade marks?

Mr. MOTHERWELL: Yes, and we rather encourage the idea of putting on a private mark or brand as well.

Mr. KENNEDY (Glengarry and Stormont): All our butter shipments do not go to the British market as Canadian butter; some have private brands?

Mr. MOTHERWELL: Some exporters like to retain the private brand, which they consider valuable on account of its association with the reputation they have built up. But they must have our brand in any case.

Mr. TOLMIE: What is the nature of your brand?

Mr. MOTHERWELL: We have a number.

Mr. FORKE: I am extremely well pleased to hear the ex-minister (Mr. Tolmie) say that it is possible to keep out foreign products by the excellency of the home product.

Mr. MacLEAN (Prince): Has the minister any information regarding the condition of the British butter market to-day? Are we being supplanted by Denmark, Australia and some of these other countries?

Mr. MOTHERWELL: So far as the British market is concerned, Canada is hardly known as a butter producing country. We exported all told last year 21,000,000 pounds of butter, a negligible percentage of which went to Great Britain. The odd times that we appear on the British market with butter suggest the "on again off again" idea, and we are never able to build up a line of customers who look forward with any expectancy to further shipments of Canadian butter. Someone has estimated that at the present time we supply Great Britain with 1½ pounds of every 100 pounds of butter she buys. Fortunately for us, especially for those portions of Canada that have not made a specialty of producing the higher quality of butter, it is not until our season of production is over that Australia and New Zealand come on the same market with us, so that we do not come into immediate competition with them. But there is a real danger nevertheless. I have told the dairymen of Ontario and Quebec more than once that unless they improved the quality of their butter, the first thing they knew, Australia and New Zealand dairymen would be opening warehouses in Toronto, Montreal and other large centres and offering their goods to the Canadians. I do not know that this would be an unmixed evil at all, but it would be a rather strong commentary on the quality of our home made butter if Australia could do such a thing successfully. I have already indicated that there is an improvement in sight, and so long as we are improving there is no use scolding too much. Ontario has taken the bit in her teeth and has taken the first required step towards better results by providing for a good raw product through the grading of cream. Certain educational work remains to be done in the improvement of dairying conditions and so on, but if we get our raw product in good condition we can then insist on the manufacturers turning out a good article. As regards the condition of the market in Great Britain, I have not looked up the exact details lately, but there is a feeling in the air that because dairying has stood up better than any other branch of agriculture since the war it is worth pursuing, and the natural tendency is for more people to engage in it. Even in dilapidated Russia there is an immense activity in increased butter production. I am not sounding any note of warning that there is going to be any glut of good dairy products, but there will be a glut of second-and third-rate goods which will be seeking a market. There will never be a glut of first-class dairy products, and that is one other incentive to us to speed up the improvement of our quality as quickly as possible. Certainly every country that can go in for dairying at all succesfully is going to engage more and more in this branch of agriculture. The prairie provinces were never thought to be good dairy countries, but they have increased their output of creamery butter this year some 10,000,000 pounds. I may observe here that our cheese showed marked improvement last year and I am safe in saying that it vies with the best Australian cheese; in fact, the best Canadian cheese is away better than the best Australian product. Unfortunately, however, because of small factories, and one thing and another, there is an absence of uniformity so that the quality is not on the whole what it ought to be. What the Britisher wants in addition to quality is uniformity; he detests having to make adjustments with his customer. Consequently this uniformity will be helped considerably when the consolidation bill is enacted in the Ontario House, this being one of our principal cheese exporting provinces. Making the factories larger will also help towards uniformity.

Mr. SPENCER: From what provinces were the 21,000,000 pounds of butter exported to Great Britain?

Mr. MOTHERWELL: Most of it came from the middle western provinces. A great deal of what the western provinces shipped in the early part of the year went to the

United States, about 5,000,000 pounds. A demand sprang up there, as well as in England, for unsalted butter, and the Moose Jaw creamery took a large contract from the States. Quebec and the middle western provinces have been the chief contributors to the export trade; very little has been sent from this province; and I do not think that at any time in recent years the home production has met the domestic demand in the Maritime provinces.

Mr. SUTHERLAND: What quantity of butter was imported last year, and from what countries? And in what way will the proposed treaty with Australia affect the tariff on dairy products?

Mr. MOTHERWELL: My recollection is that we imported about 3,000,000 pounds. Did my hon. friend mean from the United States?

Mr. SUTHERLAND: And from other countries as well.

Mr. MOTHERWELL: Three million pounds is my recollection, but we will have the exact figures in a moment. I do not know what my hon. friend wants me to say as to the effect of the tariff. Of course the higher the tariff the less the importation.

Mr. SUTHERLAND: I was referring to the proposed treaty with Australia: How would it affect dairy products?

Mr. MOTHERWELL: The preferential tariff is not in force yet; when it is it will be the same as New Zealand's, which for a number of years has been three cents a pound.

Mr. FORKE: I suppose the minister is aware that a large amount of cream is also shipped into the United States from Quebec?

Mr. MOTHERWELL: Yes.

Mr. FORKE: In Missisquoi county all the cream cans I saw were billed to the United States.

Mr. MOTHERWELL: In spite of the duty an enormous amount of cream, equal to about 16,000,000 pounds of butter, was exported to the United States last year.

Mr. BIRD: It seems to me that a dollar spent on putting the industry on a rational basis would be worth $10 spent upon tinkering with details, even if they are important details such as the grading of butter. In the three prairie provinces the dairying industry is gradually being placed on a co-operative basis. A quarter of a million dollars is a lot of money to spend on this industry if it is being frittered away on details. It should be applied to placing the industry on a parity with the industry in New Zealand, Denmark and other countries, where it is organized through and through, which gives them the advantage of the world's markets. I am wondering if the department is doing anything in an active way to encourage the placing of the industry in this country on a co-operative basis. I do not think it should be left to the efforts of the people themselves to put such an important national industry on a footing where it would be able to compete successfully in other countries. I should like to hear that the department is doing something to this end.

Mr. MOTHERWELL: I think my hon. friend has put his finger on the most important phase of the question that has been discussed so far. In the past co-operation has been left largely to the provinces. Some of the creameries have co-operated by consolidating themselves into a single organization. In Saskatchewan, Alberta and Manitoba, co-operation has been featured, principally in production. We are doing everything we can do from the federal standpoint to help the industry, but having nine provinces to deal with means that we have to be careful not to trespass on the provincial sphere of action. At present conventions are being held all over the Dominion, and our Mr. Wilson, who was asked by the Dairy Council to come over from Great Britain and impart the latest information on the requirements of the British market and to point out where we are falling down, has been addressing these conventions. He has been devoting his addresses to telling the people what other countries are doing. It may come as a surprise to hon. members to learn that in Russia the Soviet government have in operation over five thousand creameries under a system of co-operation, dealing directly with large import houses in Great Britain. We are also pointing out in a suggestive way that until we have a pool handling over half the dairy product of Canada and delivering it on the British market at regular intervals, we are going to be at a serious disadvantage. At present our shipments are haphazard. Some of our packing companies, however, send their products over regularly. We should have regular sailings for both butter and cheese, and this cannot be done without some kind of organization among the various provinces. It is imperative that it be done if we are to get the best results, and we are doing everything we can to encourage such action without actually intruding on the provincial field. If we had

complete control here I would feel like taking the necessary steps in our own department to effect the required organization, but I do not think we could do it simply by mild co-operation with the provinces, with whom the question primarily rests. The Dairy branch has completed the preparation of statistics indicating what tonnage would be necessary to take care of the dairy products of Canada for the British market, how much space would be required and how frequent the sailing ought to be to meet the needs of the trade on the other side. These statistics are available for whoever wishes to take advantage of them. Experience proves that regular sailings are necessary, otherwise customers will be lost and trade will have to be built up over again. I would thank the hon. member (Mr. Bird) for any suggestion as to how we can arrange this without invading the field of the provinces. Undoubtedly the time has come when we should do that, and we will be delighted to do it when the conditions permit.

Mr. LADNER: Has the minister any information as to the quantity of butter which was imported last year from New Zealand?

Mr. MOTHERWELL: No.

Mr. LADNER: Or from Australia?

Mr. MOTHERWELL: No, I have just the totals.

Mr. LADNER: Is the duty on cheese affected by the proposed treaty with Australia?

Mr. MOTHERWELL: We get practically no cheese from Australia, with the exception of fancy cheeses.

Mr. LADNER: Is there or is there not a provision in the treaty with regard to cheese?

Mr. MOTHERWELL: My recollection is that it is not mentioned among the preferred articles. Butter is.

Mr. TOLMIE: In respect to the remarks of my hon. friend (Mr. Forke) with regard to the protection of agricultural products, I am a firm believer in maintaining the high standard of these products which now prevails throughout this country. We are quite able to compete where things are equal, but we should not be compelled to compete where climatic conditions are not the same; to compete with the product of districts where the cattle can be kept out during practically the whole of the winter period while we have to feed for six months; to compete on an even basis with those countries where labour is much cheaper than it is here. Therefore I believe that we need a certain amount of protection even for our dairy and other agricultural products. I want to put myself clearly on record in that regard: I think we should have the same tariff on agricultural products coming into this country as is applied to agricultural products going into the United States. With regard to this dairy representative in London, does he secure information that had not been previously obtained through the dairy commissioner, and if so what is it?

Mr. MOTHERWELL: I shall be pleased to give my hon. friend the full information when that vote comes up. As to his reference to tariff on agricultural products, if he can give us any assurance that the housekeepers of Canada are prepared to pay a little bit more for their eggs and for their butter, then I shall be ready to give his suggestions at least sympathetic consideration.

Mr. TOLMIE: If the housekeepers of Canada had the experience with American eggs that I have had, they would be glad to be rid of them altogether. What progress has been made in the development of the fancy cheese industry in Canada, and about what is the value of the product now?

Mr. MOTHERWELL: We have not the figures, but I believe the industry is being developed in a number of places in Quebec. I do not know whether you would call kraft cheese a fancy cheese, but its production is rapidly growing and it seems to appeal to the popular taste.

Mr. KENNEDY (Glengarry and Stormont): What is it made of?

Mr. MOTHERWELL: It is a mixture of Cheddar cheese with cream and, I think, some milk.

Mr. STEVENS: Is it renovated?

Mr. MOTHERWELL: No, I do not think it is renovated. It cannot be very bad, because it tastes good.

Mr. TOLMIE: Does it contain cottonseed oil?

Mr. MOTHERWELL: No, the law forbids that. It is entirely cream and milk fat.

Mr. TOLMIE: Is the minister quite sure about that? Has an analysis been made by his analyst?

Mr. MOTHERWELL: We have had no complaints with regard to it that I know of.

Mr. TOLMIE: Are we making any Limburger or Roquefort or Camembert cheese in Canada?

Mr. MOTHERWELL: Yes, some Roquefort is made in Quebec.

Mr. LADNER: The minister said a moment ago that the duty on butter from Australia was being made the same as that on butter from New Zealand. Under what trade arrangement does New Zealand have the benefit of a preference now?

Mr. MOTHERWELL: My hon. friend will have to ask somebody else, because it was under some arrangement made, I believe, before this government came into power. We are giving to Australia the same terms, which means 25 per cent off; the regular tariff of 4 cents is reduced to 3 cents in both cases.

Mr. LADNER: It is rather an important matter, and one, I would imagine, that the minister would be acquainted with, in a superficial way at all events. Surely he knows whether or not we have a treaty with New Zealand. I have never heard of one myself.

Mr. MOTHERWELL: Oh, yes.

Mr. LADNER: It must be some kind of preference arrangement by which New Zealand has that advantage.

Mr. MOTHERWELL: I can only conjecture what they went on. I know that this has gone on for the last three years, and I do not think my hon. friend's party is very much struck on preferential tariffs so I think it must have gone on for the ten or twelve years before that; it must have gone on quite a while.

Mr. BRETHEN: I believe it was done under Sir George Foster.

Mr. MOTHERWELL: I am delighted to learn that the treaty was arranged by Sir George Foster.

Mr. ARTHURS: What are the terms of the treaty?

Mr. STEVENS: Does the minister as a matter of fact know whether there is any treaty or not?

Mr. MOTHERWELL: I do know.

Mr. STEVENS: There is a treaty?

Mr. MOTHERWELL: Yes.

Mr. STEVENS: I think my hon. friend will find himself mistaken.

[Mr. Motherwell.]

Mr. MOTHERWELL: I do not carry these treaties around with me, Mr. Chairman, but I know as a matter of fact there is a treaty.

Mr. STEVENS: I would like to ask the minister if he has during the recess reconsidered his harsh and altogether unwarranted attitude towards the production of oleomargarine.

Mr. MOTHERWELL: I have often congratulated myself that we have knocked it out; and that is the only extent to which I have reconsidered it. I think the dairy industry is to be congratulated that it was knocked out. I have never considered the matter with the idea of being less harsh about it for I hold exactly the same views I did before, except that probably they are a little stronger. If we had not dealt with oleomargarine then, I do not think the time would ever have come, for once it had become properly established it would have been hard to get rid of it; that has been the experience of other countries.

Mr. KENNEDY (Glengarry and Stormont): I want to revert to a remark the minister made some time ago in reply to a suggestion of mine. He said that one reason why the department was not considering the grading of dairy products for home consumption was that there was no demand for it. I would like to ask who is going to make the demand? Who does he expect, will make it?

Mr. MOTHERWELL: Well, my hon. friend.

Mr. KENNEDY (Glengarry and Stormont): If the minister will accede to my demands he will proceed immediately to set about it.

Mr. MOTHERWELL: I have a high opinion of my hon. friend's judgment in the matter.

Mr. KENNEDY (Glengarry and Stormont): I know the minister is desirous of raising the standard of Canada's dairy products. Now our only hope in the foreign market is by having not only a high standard, but a uniformly high standard, and I think the only way to secure uniformity is by grading our dairy products, and by buying according to the grade. That is, to my mind, the most important factor in the whole business, and not the elimination of the small factory as the minister seems to think. During the summer of 1924 the factories throughout eastern Ontario produced 94 per cent of No. 1 cheese, and better, that is cheese grading No. 1 and Special. In that area there are a great number of very small factories. I personally know some of these factories that

have produced as high as 99 per cent of No. 1 cheese, and better. I am not advocating anything in the way of assisting to maintain the small factories, for I rather think that is an unimportant consideration; I think they will eliminate themselves in time. To me the all important consideration is to have our dairy products uniformly graded, and I would most earnestly impress on the minister the necessity of grading these products for home consumption as well as for export, for the reasons I have already given.

I would also suggest to him, if he is bringing down legislation for the improvement of the standard of dairy products, that he consider the advisability of establishing a standard for ice cream. That is an important dairy product and an important article of diet, and its consumption in this country is increasing. I would recommend to the minister that he establish a certain standard of ice cream. That is important, because I think a great deal of the ice cream that is offered for sale to-day should have the word "cream" eliminated from its name. It is very patent that much of it is not ice cream at all.

On the question of fancy cheese, the hon. member for Victoria very properly asked the minister about the analysis of kraft cheese. Now with all due deference to the Minister of Agriculture, I would suggest to him that he look into the manufacture of kraft cheese, because I fear he will find there is a great deal in it besides butter fat and other dairy products. I do not wish to make any statement as to what he will find in it, but I would like his department to investigate it; I think that is important.

Mr. MOTHERWELL: With regard to the two questions my hon. friend has raised, as to the grading of all butter manufactured in Canada, it is estimated it would take three or four more graders to do that work. In addition to that, without having any estimate, but judging from the number of inspectors we have to employ to look after the grading of other dairy products, from fifteen to twenty inspectors would be required to see that the law was enforced. That would mean an addition of nearly twenty to my staff for that service. I think maybe that would be money well spent, but there is a tremendous popular feeling throughout the country to-day in favour of keeping the civil service either stationary or cutting it down. I do not know that we should arbitrarily comply with that sentiment, but as long as it is there, we cannot disregard it entirely. Since I have had the honour of being in this House, every time there has been an increase in my staff I have been adversely criticised. If there is any way of making omelettes without breaking eggs I would be glad to find it out; if there is any way of increasing our services of this kind without increasing our staff, I would be delighted to find it out. I think possibly we will have to reach my hon. friend's conclusion no matter what the public say regarding an increase of the civil service staff connected with agriculture, for as a matter of fact a progressive Department of Agriculture cannot stand still if it does its duty. But I am circumscribed to some extent by money limitations and by public sentiment in the matter of these new activities. Out in the western provinces you have no such circumscribing limitations. Agriculture is paramount there, and anything you do on behalf of it, if it does increase your staff, goes. But it is a little different down here.

With regard to ice cream, for some reason which I do not exactly know, that comes under my colleague the Minister of Health, and my memory is that he has worked out some standard, stipulating a certain percentage of butter fat in the ice cream. In reading some speeches recently made at the conventions I distinctly recall Mr. D'Arcy Scott indicating that this reform had been brought about; but that matter comes under the Department of Public Health.

Mr. ARTHURS: The hon. minister has not answered so far as I have heard, the question asked regarding the treaty with New Zealand which may or may not come in conflict with one now proposed with Australia. The hon. gentleman should have all these facts at his fingertips and should be able to answer that question at once. In what respect does the present treaty with New Zealand conflict with the Australian treaty in the matter of dairy products?

Mr. MOTHERWELL: The idea is to give Australia the same preference that was accorded to New Zealand, I do not know how many years ago.

Mr. ARTHURS: What is the preference to New Zealand now?

Mr. MOTHERWELL: It is three cents a pound as against four cents in the general tariff. That is 25 per cent, I presume. When the new treaty becomes effective the same rates will be applicable to Australia. I do not happen to have the treaties here, and a discussion on them would more properly arise when the estimates of the Minister of Trade and Commerce are before the House, or when the treaty itself is being considered. The later treaty is not law yet; I know there has been a treaty with New Zealand for a number of years.

Mr. LADNER: A direct treaty between Canada and New Zealand?

Mr. MOTHERWELL: Yes, certainly.

Mr. LADNER: I doubt it.

Mr. SUTHERLAND: The minister pictures a very gloomy outlook for the future when he predicts that the day will come when city stores in this province will be selling butter from New Zealand or Australia. Does he think that the new arrangement with Australia which reduced the tariff on butter is going to bring that about? Is that the object the minister has in view? Is it his intention to bring foreign products into this country in order to reduce the cost of living? Is that what he is aiming at? If what the minister predicts is likely to happen, I cannot imagine why a reduction of the duty should be made in this particular case.

Mr. MOTHERWELL: I am only responsible for the treaty in an indirect sense but of course I take my share of responsibility. However, I want to point out to my hon. friend that if you desire to make a treaty with another country you must give as well as take. You must give something in return for the concessions you receive; you cannot have it all your own way. We have obtained substantial concessions for the entry of certain of our products into their market and we had to offset those concessions to some extent. In the province of Saskatchewan when we were just merely starting the dairy industry we were able to go into British Columbia with our butter and compete successfully with New Zealand. There is nothing to be afraid about; there is only a certain time of the year when the competition has to be met. If there is cause for fear there is one remedy to be applied, and that is to make better butter in Canada. It is not because there is a shortage in Canada that we get importations of New Zealand butter. There used to be a time during the winter season when there was an insufficient local production in Canada, and consequently there were importations of butter from New Zealand, not only into British Columbia but as far east as Montreal. I question very much whether any importations from New Zealand go that far east to-day. That is simply because winter dairying has increased so much that we have local production for the whole twelve months of the year. If there was danger of antipodean butter years ago it is much less to-day, as a result of winter dairying on the one hand and the improved quality of our product on the other. But that improved quality must continue or else there will be a danger of imports coming in. There has been a danger—not so acute to-day as it was a short time ago—of Australia unloading some of her products, but the danger has been minimized by the improvement in the quality of our own products. The hon. member for South Oxford (Mr. Sutherland) wants to know if I am encouraging the dairy industry when I am lowering the duty on Australian butter. The duty on Australian butter will be the same as it has been for a number of years past on New Zealand butter without, as far as I am able to learn, any detrimental effects to Canada.

Mr. ARTHURS: Does the minister mean to say that treaties have been negotiated under which certain concessions have been extended to Australia and New Zealand without his knowledge?

Mr. MOTHERWELL: No.

Mr. ARTHURS: The minister's explanation would almost create that impression.

Mr. MOTHERWELL: Not at all. I am not Minister of Trade and Commerce. I acquiesce in the treaty as a member of the government of Canada and hold myself responsible for it. But there is a difference between consenting to a treaty and originating it. The campaign against "oleo" originated with my department; that was an entirely different matter. The negotiation of a trade treaty comes directly under the Minister of Finance or the Minister of Trade and Commerce. Of course I am jointly responsible for anything that is done in connection with it. It is not done without my knowledge or I would not be able to tell my hon. friend (Mr. Arthurs) that there is such a treaty with Australia, and that there has been one in force with New Zealand for many years.

Mr. ARTHURS: Will the minister give us the terms of the treaty with Australia so far as they relate to butter and other dairy products?

Mr. MOTHERWELL: I made the statement about twelve or fifteen times; I do not think it is necessary to repeat it once again.

Mr. ROSS (Simcoe): I should like to ask the minister if the expenditure last year is greater or less than the expenditure for the year before?

Mr. MOTHERWELL: It is going to be pretty close.

Mr. LADNER: In British Columbia, and other important parts of Canada, a very strong protest is developing in connection with the egg business. The duty on eggs entering the

United States is eight cents, and on eggs imported into Canada three cents. Are eggs covered by this treaty, and if so to what extent is this country affected?

Mr. MOTHERWELL: Is that the question?

Mr. LADNER: That is the question.

Mr. MOTHERWELL: Speaking from memory I do not think eggs are affected, but if my hon. friend waits until the live stock vote is being considered the question of eggs will be dealt with.

Mr. LADNER: Live stock?

Mr. MOTHERWELL: Yes.

Some hon. MEMBERS: Oh, oh.

Mr. MOTHERWELL: You have got to put eggs somewhere, and as matters now stand they come under "live stock." In the meantime I will have my deputy look the matter up and see if eggs are included in the articles affected by the Australian treaty. After all is said and done, I think eggs might more properly come under live stock than under dairying.

Mr. STEVENS: Why not under the fruit industry?

Mr. THOMPSON: I see a grant of $3,000 to the National Dairy Council. I should like to know how many directors there are in that organization and how those directors are elected?

Mr. MOTHERWELL: All the provinces are represented, my recollection is there are about fifteen directors.

Mr. THOMPSON: How are those directors elected. I know some gentlemen who have been directors for years and they do not even know themselves how they came to be elected.

Mr. MOTHERWELL: We have provincial associations and each association has the right to elect a certain number of directors numbering, I think in the case of smaller provinces, one. I also think the dealers in Montreal have representatives on the board; in fact all branches of the industry are represented.

Mr. SUTHERLAND: Would the minister supply us after recess with some information as to how these men are appointed? I know there is a feeling in many places that the dairy council does not represent the dairy industry at all. If the minister would bring down this information I think it would be of considerable interest. I should also like to have the details with regard to the imports and exports of the dairy products to which we have been referring this afternoon, and the countries from which these importations have been made. Probably the minister could also furnish us with some information as to our exports of cheese since the system of grading has been put into effect. I should like to know how these exports compare with the exports during the years prior to the adoption of the grading system.

Mr. MOTHERWELL: The exports of cheese last year were over 120,000,000 pounds and it has increased in quality very substantially under the grading system. The improvement in the grade is about 6 per cent.

Mr. SUTHERLAND: How does it compare with the exports for eight or ten years previously?

Mr. MOTHERWELL: A little more, a slight increase, about 2,000,000 pounds over last year.

Mr. THOMPSON: Would the minister give us the name of the secretary of the National Dairy Association, and tell us what salary he received.

Mr. MOTHERWELL: The officers of that association are not under us. I think I indicated already that the Provincial Dairymen's Association appointed the directors to the central council, and they in turn appoint their own secretary and pay his salary. They set the salary. I do not know what it is.

Mr. MEIGHEN: Who is the secretary?

Mr. MOTHERWELL: D'Arcy Scott.

Mr. THOMPSON: Is this gentleman in the employ of the government, or has he been for the last three years?

Mr. MOTHERWELL: I do not think he is in the employ of the government now.

Mr. THOMPSON: Has he been for the last three years?

Mr. MOTHERWELL: Oh yes, I think he was.

Mr. THOMPSON: During the 1921 campaign he was very active for the Liberal party in my riding. He was acting in the capacity of organizer, or posed as such, in my riding in the interests of the Liberal party. He enjoyed the prestige of being secretary of the National Dairy Council.

Mr. MOTHERWELL: He never was in my employ. I think he was retained as counsel in the grain inquiry, but his services in that respect ceased some time ago.

Mr. MEIGHEN: Is he on the payroll still?

Mr. MOTHERWELL: I think not.

Mr. MEIGHEN: It is just another way of doing it.

Mr. SUTHERLAND: What is the grant of $3,000 to be devoted to? It says "for the National Dairy Council." If the council is appointed by the association for the various provinces why do they not provide for this? How is this to be divided up? Or is it for some specific purpose?

Mr. MOTHERWELL: It is for the general activities. We have had this vote in the estimates every year, the same as the horticultural vote. We recognize that it is a useful organization by giving a grant to help to defray their cost of operations, their educational activities and their travelling expenses. The Canadian Horticultural Council receives a large grant in the miscellaneous items. I think I explained when my hon. friend was out of the chamber that, instead of being included in the miscellaneous items as in other years, it is included in the vote with which it is associated. But we have to mention it or we cannot pay it.

Mr. ARTHURS: Is it not true the present secretary of the dairy council was formerly a member of the railway commission?

Mr. MOTHERWELL: I think so.

Mr. ARTHURS: And carried his dairy calves in private cars?

Mr. MOTHERWELL: I do not know anything about that.

Mr. THOMPSON: Would you give us some information of the benefits derived from this association?

Mr. MOTHERWELL: I will after recess.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. CAMPBELL: I want to impress upon the minister the necessity for a better grading system in the export of butter than we have had in the past. I understood the minister to say this afternoon that we would get a better grading system as soon as we asked for it. Perhaps I misunderstood him, but the matter was pressed in the House very strongly last session and the minister took a sympathetic attitude towards it; he gave us to understand that the people in the eastern provinces were not, however, prepared to submit to further regulations. This is a question on which we in the prairie provinces at least feel that we have a serious grievance. We have in those three provinces a cream grading system which prevents rancid or over-ripe cream from entering into the manufacture of butter at all. That means that we do produce a better grade of butter than is produced generally speaking in the eastern provinces. I was glad to hear this afternoon that Ontario is contemplating the same system. The point is this, that in the Old Country the butter from the prairie provinces, although it takes better than the product from the eastern provinces, is at a disadvantage inasmuch as the whole supply from this country is known commercially as Canadian butter. Naturally our butter is lowered to the general standard of all the other Canadian butter. A customer in England may buy a pound of Canadian butter to-day and find it perfectly good, but he goes back to-morrow and buys another pound of Canadian butter which is a little stale, and the consequence is that all Canadian butter is condemned. The customer, therefore, buys the New Zealand product which has been standardized to such an extent that one always knows what one gets. We should try to bring our system up to the exact standard of the New Zealand system. This is imperative if we are to compete with the New Zealand producer in the Old Country; otherwise we shall lose that market altogether. An examination of the figures shows that in 1922 we sold Great Britain 17,000,000 pounds of butter which dropped in 1923 to 4,000,000 pounds; I was glad to see that the figures had gone up a little during the past year, our sale having risen to 15,000,000. But we are not holding our own in the British market, which after all is the only market we have. In the face of the contracting market our production is expanding steadily, and if we examine the figures for the prairies provinces we shall find an enormous increase of butter in that part of the Dominion. In 1923 we produced 39,000,000 pounds and that has increased to 47,607,000 pounds in 1924. Going back over the table for the last six or eight years, we find the production steadily increasing and the prospects are that it will continue to increase in the future. So that in the face of a contracting market we are producing far more than we can consume at home.

I was rather surprised to hear the minister say this afternoon that we may face a serious slump in the butter market, and he spoke about the possibility of New Zealand and Australian butter being sold in Canada. Per-

haps some of that butter is sold here to-day, but not to any great extent; and we can prevent the sale of foreign butter by properly meeting the situation. I am not particularly alarmed about the possibility of New Zealand or Australian butter being sold in the home market in competition with our own. At any rate, if that happens the fault will be our own for not producing the right article. But what I am vitally concerned about is the question whether we shall hold our own in the British market, which is almost the only market we have to-day. Whereas we sold to Great Britain 15,000,000 pounds this year, we sold to the United States only 2,761,000 pounds, while to our third best customer, Germany, we sold 862,000 pounds. After all, therefore, Great Britain is the market we must look to; and to hold it we must bring our product strictly up to the New Zealand standard. The standard may be very arbitrary, and no doubt we shall have to submit to rigid regulations; but if we desire to hold our own we must be prepared to stand by these regulations.

My hon. friend (Mr. Tolmie) spoke this afternoon about the difficulties, indeed the impossibility, of competing with New Zealand. I am not prepared to admit that it is at all impossible for us to compete with New Zealand; I believe that we can compete with that country. I would refer the committee to the report on dairying in New Zealand and Australia, by Dr. Ruddick, the Cold Storage Commissioner, in dealing with this very question of competition with New Zealand. He pointed out that while there were certain factors that favoured New Zealand, such as climatic conditions and the fact that cattle could graze throughout the year, there were some other respects in which we had a distinct advantage over New Zealand. Among these factors he mentions the following.

(a) greater experience in breeding and handling dairy cattle;
(b) a more profitable use of the by-products of the dairy, such as skim-milk and whey;
(c) lower cost of manufacturing cheese and butter;
(d) nearness to market and lower cost of marketing;
(e) the existence of what is probably the best competitive primary dairy market in the world at Montreal;
(f) a well-established and economical export business;
(g) an established reputation for cheese; and
(h) excellent dairy schools and systems of field instruction.

In addition, we have certain other distinct advantages, more particularly in the prairie provinces. While the New Zealander is grazing his dairy cattle on land costing anywhere from $500 to $1,000 per acre, we have very cheap land, and in a great many districts we can graze our cattle on wild land on which we do not even pay taxes. I for one am not prepared to admit that under equal marketing conditions New Zealand has any advantages over us at all; indeed, I believe that we have advantages over New Zealand. It is only a few years ago that the government of that country was sending men to Canada to study our conditions and to find out how we were making butter; they even took men from here to teach them how we were producing butter. But they have improved on us, and while Canada has, Rip Van- Winkle like, been asleep for a great many years, New Zealand has steadily marched ahead. It seems to me we must wake up, we must take note of these conditions and proceed to meet them, or else be prepared to lose the British market.

The expansion of this industry is reflected in the prices. In 1922 the average price for creamery butter in Canada was 56 cents a pound; in 1923 it dropped to 35 cents; and in 1924—the figures are not available yet—I understand they will work out at about 31 to 32 cents a pound. The possibilities are that next year there will be a still further drop in price. In fact when I left Saskatchewan about ten days ago butter was selling in country stores at 20 cents a pound, something hitherto unheard of at this time of the year. I would again impress on the minister the necessity of doing something to enable us to get a standardized article on the British market, an article that will be a guarantee to the British consumer that whether he wants a poor grade or a good grade he can depend upon getting it day in and day out at a uniform quality. It is not so much a case of producing a better article as a standardized article, an article of such uniform quality that the consumer will know what he may expect to get. I should like to quote further from this report of Mr. Ruddick's in which he points out what we must do in order to hold the export market:

There must be keener appreciation of the supreme importance of quality.

Then he says:

The universal grading and more frequent deliveries of cream for butter making, and the proper maturing of cheese in suitable temperatures before shipment, should be put into effect as soon as possible.

I think this point of proper maturing was raised by one of the hon. members on my right this afternoon—the importance and necessity of the proper maturing of cheese before shipping. Again Mr. Ruddick states:

There must be the fullest co-operation between all the elements that make up the dairying industry in

Canada. Private or selfish interest must not be allowed to stand in the way of any improvement that has for its object the general good of the industry. The making of butter and cheese should be recognized as an important manufacturing business, which it is, and should be treated accordingly.

In the Manitoba Free Press of January 27, 1925, Dr. Grisdale, the Deputy Minister of Agriculture, is quoted as follows:

Canada had to depend upon her export market for success, the speaker explained, and to do it successfully she needed uniformity, quantity and quality. In defence of this order of importance he said that if a commodity were uniform, plentiful and cheap enough, it would sell on the British market, quality being a very valuable third. Grading helped all these things in more or less obvious manner.

It seems to me, Mr. Chairman, that if we are going to hold this market at all the situation must be dealt with immediately, because production is increasing to such an extent that people in the west are beginning to be discouraged, and if there is a still further slump in butter prices I know just what will happen. We have been doing a good deal to stimulate the dairy interest, we have been trying from one end of the country to the other to encourage our people to go into mixed farming, particularly in the prairie provinces. Hon. members all over the House have been pointing out to us repeatedly the necessity of mixed farming in the west. I want to remind them now that we are in mixed farming on the prairies to-day to a greater extent than are the farmers in the eastern provinces. A study of the trade figures will show that we are producing per farm more dairy products to-day than any of the other provinces. And yet you are continually telling us to go into mixed farming as a cure-all for our troubles. We want your assistance if we are going to continue this mixed farming, because with the slump in the value of wheat and other grains we have had to fall back on the dairy industry; but with the prices dropping as they are to-day and our market contracting something must be done to maintain our position. The cream grading system in Ontario and the western provinces is helping to that extent, but if over-ripe or rancid cream is used in the manufacture of butter in the other provinces, it means that that butter manufactured from it will go with ours to the Old Country as Canadian butter, and will lower the general standard of the whole commodity. I should like to have some assurance from the minister that before this session is over he will do something to try and improve this grading system and put it on a uniform basis.

[Mr. Campbell.]

Mr. MOTHERWELL: Before referring to the statements made by the hon. member who has just sat down (Mr. Campbell), I will answer a number of questions which were asked before we rose for dinner, answers to which we did not have ready at that time. The National Dairy Council was organized late in 1918 or early in 1919, and D'Arcy Scott has been its secretary since its inception. The board of directors consists of some forty members, representing almost every dairy, milk, ice cream and allied organization from one end of Canada to the other. The executive council consists of the president, Mr. Stonehouse, of Toronto; the vice-president, Mr. Joseph Calder, of Moose Jaw. The directors include Mr. W. W. Prevey of Edmonton, Mr. R. J. Underwood of Saskatoon, Mr. O. N. Andreason of Humboldt, Mr. G. N. Torell of Winnipeg, Mr. R. M. Player of Walkerton, Ontario, Mr. W. F. Kay, M.P., of Phillipsburg, Quebec, and Mr. A. H. Cutten, of Lower Truro, Nova Scotia.

I find the amount of butter imported last year was only about half of the figure I gave. From recollection I stated three million pounds, but I find that the actual figures are 1,296,709 pounds from New Zealand, 165,801 pounds from the United States, and—rather strange to say,—94,228 from the United Kingdom. Sometimes both eggs and butter, for various trade reasons, are returned from the United Kingdom, but it is very rarely that the market makes this profitable.

Kraft cheese has been analyzed very carefully and found to carry no adulteration, so I can allay the fears of my hon. friend from Glengarry (Mr. Kennedy). I know he likes that brand of cheese, but it is so good and so reasonable in price that naturally he came to the conclusion there must be something the matter with it. Well, I was under the same impression, but I find by our analysis that it is all right. We have no statistics with regard to the quantities of fancy grades of cheese that are made in Canada.

Mr. MEIGHEN: When did the government start paying the $3,000?

Mr. MOTHERWELL: From the beginning I understand. The estimates were ready when we came into office and we simply continued the amount as it was.

Mr. MEIGHEN: It does not appear in last year's estimates.

Mr. MOTHERWELL: Yes, under miscellaneous. Mr. Scott was the secretary when this government came into power and I understand that he was the secretary from its

inception, so that there has been no change in that respect. Evidently the dairymen think Mr. Scott a good secretary, otherwise they would not retain his services so long. I think my hon. friend (Mr. Campbell) misunderstood me when he said I promised a better grading system when the people demanded it. I did not intend to say that, and I do not think I did say it. I told the hon. member for Glengarry (Mr. Kennedy) that we would extend the system of grading for export to the product for home consumption as soon as there was a reasonable demand for it. The market reports show that a considerable quantity of butter is voluntarily graded in Canada even now. We grade at Montreal anything that presents itself for grading, whether it is for consumption in the home market or for export, but the grading is not compulsory with respect to home consumption as it is in the other. A certain amount of latitude must be allowed in connection with internal commercial transactions; it may not be desirable to hamper them with a grading system. You can even buy seed grain or oats from your neighbour without any requirement as to grading. It is only when you are selling to some one at a distance, to whom you cannot talk, that it is desirable to proceed on that basis. According to the market reports in the Montreal Gazette No. 1 butter is quoted at so much, No. 1 cheese at so much, and so on, which shows that the grading is recognized as applied to the product for home consumption. If we made it compulsory it might be found very vexatious in the case of small transactions, which could not be carried out unless the grading requirement had been complied with. That is not the idea of a grading system.

Mr. CAMPBELL: I had particular reference to grading for export, not for home consumption.

Mr. MOTHERWELL: I did not hear my hon. friend make any suggestion in the matter. I gathered he was somewhat doubtful about the quality of the butter in eastern Canada compared with that of western Canada, but he should be generous and not rub that in too much. I think they are all conscious of it down here, that they have been a little slow in getting their grading system perfected. But they are under way now; legislation is before the provincial legislature at Toronto and we look for better things. We adopted that at the beginning as a basis, without any knowledge of dairying at all. Probably we did not know any better; we did not know any other way. We simply took to it naturally as a duck takes to water.

Mr. SUTHERLAND: Does the minister confirm the statement of the hon. member (Mr. Campbell) that the standard of Ontario butter is very much lower than that of the other provinces?

Mr. MOTHERWELL: Of course; I thought every hon. gentleman knew that.

Mr. SUTHERLAND: According to the statement of the Department of Agriculture with regard to pasteurized butter, graded, from all the provinces, Ontario is pretty near the top of the list, with a rating of 82.3 per cent. Saskatchewan, the province from which the hon. member (Mr. Campbell) comes, is rated at 65.4—quite a difference in favour of Ontario, notwithstanding the efforts of the minister and other hon. members to make it appear that the standard of butter in Ontario is very low. I grant you that much of the butter consumed in Ontario is low grade, because much of it is imported into the province. According to this statement the rating of the Maritime provinces is the highest; Manitoba comes next with 85 per cent, Ontario next with 83.2 per cent and Quebec next with 82.4 per cent.

Mr. MOTHERWELL: My hon. friend has evidently not been watching carefully the lists of prize winners at the various fairs, including the Royal and the Canadian National exposition. He has not observed how many trophies and how much jewelry have been carried off by Ontario and the eastern provinces during the last three or four years as compared with the west. At least three-quarters of the prizes went to the prairie provinces.

Mr. SUTHERLAND: Is the committee to infer that this statement issued by the Department of Agriculture is not correct?

Mr. MOTHERWELL: It must be right if it came from there, but I am drawing my hon. friend's attention to the other phase of it.

Mr. SUTHERLAND: The department says that Ontario is almost at the top of the list.

Mr. GRAHAM: Our average is the best. They had some specials.

Mr. CAMPBELL: I did not wish to reflect upon the quality of Ontario butter. I am eating it here every day and find it excellent. But due to a lack of a cream grading system some of the butter, which may be excellent when it is eaten fresh, is stale or a little rancid by the time it reaches the Old Country, and this is not the case with the other butter. I think I quoted from an Old Coun-

try paper last year in which it was pointed out that the quality of the butter from the prairie provinces was very much higher than that from the eastern provinces, due to this very fact. Suppose 75 per cent or over 80 or 90 per cent even of the Ontario butter was a little above the standard of that of the prairie provinces, yet the fact that the remainder of it was a little below standard, due to these particular causes, would have a tendency to bring the whole grade of the butter down. I am not complaining so much of the quality of the butter as of a lack of standardization, because standardization is what we need in the Old Country. The minister made the remark that I failed to put forward any suggestion. The suggestion I made was that we bring our grading regulations up to the same standard as that of New Zealand. The minister admitted last year that the people of western Canada were prepared to accept that standard, but he said that the people of eastern Canada were not prepared for such drastic regulations. Drastic or not, it seems to me we must deal with that situation. It is not a matter for any geographical discriminations at all. We must get Canadian butter, regardless of where it is made, whether it is made in Quebec, Ontario or in the prairie provinces, on a standardized basis, so that any man buying that butter in London, whether he wants a cheap or a dear article will know that he can come back the next day, the next week and the next year and get that very same quality of butter. That is what we want.

Mr. MOTHERWELL: We have that, I think. The standard of our grades is not only the same all over Canada, but it is as near as we can get to the New Zealand standard, because we recognize we have to compete with them.

Mr. CARROLL: I have not heard any very sound reason given by the minister for the inclusion of this item of $3,000 for the National Dairy Council. The last reason I have heard given for it was that the late government had been used to putting this item in the estimates. I cannot say that that appealed to me as a very strong reason.

If the National Dairy Council are going to get this $3,000, there are other basic industries in this country who will be approaching this government for a grant, and with just an equal right. For example, we have the Miners' Union in Nova Scotia and in Alberta; we have the Fishermen's Union on the Atlantic and Pacific coasts; we have the steel workers' unions; and each one of them is just as much entitled to a grant of $3,000 a year for the purpose of placing their propaganda before this country as is the dairy council. These dairymen are a splendid class of men, and they are doing a great deal for their special industry, but I do not see why this government should pick out this particular industry of all the basic industries of this country, and hand them $3,000 a year. I think the minister should reconsider this vote of $3,000. The last time on which I knew the National Dairy Council to be very active in this country was when they were by their propaganda and organization opposing the wishes of about half the population of this country, and I suppose they were using part of this $3,000 on their propaganda. Personally I am against this vote of $3,000, first for the reason that if we are going to subsidize an industry of this kind we should subsidize industries all around and give every organization in this country that is doing equally well for the industries it represents a similar grant, and secondly for the reason that I do not think the National Dairy Council are using this $3,000 in the interests of dairying or of the dairymen.

Mr. CHAPLIN: The hon. member for Cape Breton South (Mr. Carroll) has cast some reflections on the late government because of an item in the estimates of $3,000. Permit me, Mr. Chairman, to call his attention to the fact that in the years 1918, 1919 and 1920 the votes for this particular item amounted to the sum of $155,000, and the vote this year amounts to $230,000. This Minister of Agriculture of ours is some little spender. Now let me point out to the House where some of the money goes. One item alone in the Auditor General's report for the year just closed, 1924, shows $82,000 going for salaries for officials and their expenses right here in Ottawa, outside of civil government. Compare that with a total vote during the years 1919 and 1920 of $155,000. Besides this expenditure of $80,000 odd for employees here in the central place, where the officials are right beside the minister, there are all sorts of other expenses, as you will find if you examine the Auditor General's report. There are banquets to delegates, all sorts of expenses for people coming in and going away from here running up to $5,000 in the case of some items. It seems to me if the member who has just spoken (Mr. Carroll) has such regard for an item of $3,000, he had better look into the expenditures a little closer and check up some of these other items.

Mr. CARROLL: I made a very good start.

Mr. CHAPLIN: I agree with my hon. friend in respect to the $3,000 item. I will vote for the exclusion of it.

Mr. MOTHERWELL: The hon. member for Lincoln thinks we are spending too much on inspection—

Mr. CHAPLIN: Not on inspection.

Mr. MOTHERWELL: —and the hon. member for Glengarry thinks we do not spend enough, so I assume we have struck the happy medium and are spending just about right.

Mr. CHAPLIN: I am not making any reference to inspection. I am kicking about banquets and the other stuff.

Mr. LEADER: Mr. Chairman, I am mighty glad I have found a recruit. I brought up items of this nature in the House last year and pointed out where it was possible to save much money by controlling our expenditure on banquets, entertainments and so forth. I hesitated about introducing this matter before six o'clock when the minister and in fact all the members of the House seemed to be in good humour. I see an item here in the Auditor General's report which I shall read to the House not only for the benefit of hon. members but of all those who read the newspapers and Hansard. This was a banquet given to some delegates who attended a convention here in the year 1924. It reads:

Chateau Laurier, banquet to delegates attending—Dairy Convention at Ottawa, 87 dinners, $174.00; Cigars, etc., $22.50.

This was only one of the smaller banquets, but it ran away with money that is being charged up to the taxpayers of this country annually. One does not need to blame this government alone for expenditures of this sort, for you can go back for years and find that previous governments have done likewise. I want as a representative of the people here to protest against this unwarranted and unjustifiable expenditure of public money.

Mr. MOTHERWELL: Maybe when my hon. friend knows the circumstances associated with these so-called banquets he may be willing to support the expenditure. Quite frequently we call conferences representing various branches of agriculture to Ottawa to discuss various questions before we take action. When we do that we pay their expenses here. Having called them together, we have a right to pay at least part of their expenses. If they had looked after themselves at that particular meal, I do not know how much it would have cost them, perhaps two or three dollars a plate if it was at the Chateau, but as we had them all together and could call the feast ourselves, we could do it for about $1.50 a plate.

Mr. GRAHAM: Wholesale rates.

Mr. THOMPSON: Before six o'clock I asked what was the salary paid to the secretary of the National Dairy Council. Is the minister prepared to answer that question now?

Mr. MOTHERWELL: Inasmuch as we do not pay the shot, I have not made any inquiry. I do not know what he is paid.

Mr. THOMPSON: I would judge from the report that they were paying him pretty well. If the hon. member who has just spoken (Mr. Leader) had read a little further down in the accounts he would have found an item of $5,013.45 for the travelling expenses of the delegates attending the dairy conference at Ottawa.

Mr. MOTHERWELL: They did good work.

Mr. THOMPSON: Now for one I am absolutely opposed to the vote for this purpose. I think it is needless. We have the secretary of the National Dairy Council drawing a very large salary. He is a lawyer in the city of Ottawa who has been paid a very considerable amount, by this government during the past two years, and he is a very useful man at election time to the government; he has been out on the stump campaigning for them. I repeat that I am absolutely opposed to the voting of this $3,000, and I want to put myself on record to that effect.

Mr. MOTHERWELL: May I point out that this vote is $3,000 smaller as compared with last year. Last year there was the same amout as this year, plus an item of $3,000 in miscellaneous expenditure for the secretary of the National Dairy Council. The smaller amount to be voted this year takes care of the general activities of the department and also meets the contribution to the dairy council. Consequently the vote is less by $3,000 than it was last year, there is no doubt about that.

Mr. SUTHERLAND: For how many years has the vote for this purpose been included in the estimates?

Mr. MOTHERWELL: I know it was there when we came into power, and my information is that it has appeared from the very inception of the organization. The reason I mentioned Mr. Scott was because some hon. member made some suggestion as to Mr.

Scott's alleged conduct in apparently wanting to associate himself with this government. I merely wish to say that Mr. Scott was there from the beginning of the organization, and that we had nothing to do with his appointment or the paying of his salary.

Mr. SUTHERLAND: I want to protest against the lack of activity on the part of the dairy council; I am afraid they are a useless body. I think it has been amply demonstrated to the minister that the dairy products of Ontario are rated very much lower than those of any other province. On the other hand the records of the department show quite the contrary, and if the minister does not take steps to correct the impression that has been left on the House he will assume quite a responsibility.

With regard to cheese I notice that the same statement issued by the department over which the minister presides shows that Ontario, Quebec and Prince Edward Island—those are the only three concerned I presume, there is not very much cheese shipped from western Canada—are rated very high. Eighty-three per cent of the cheese from Ontario was graded as first. In the province of Quebec the grading was 68 per cent, and in Prince Edward Island 62 per cent. Then, as I pointed out before, in the matter of butter Ontario, out of all the provinces mentioned, is rated as third. The Maritimes come first with a rating of 89.4 per cent; Manitoba is second with 85 per cent; Ontario is ranked as third with 83.2 per cent and the other provinces are rated considerably lower than that. This statement showing, I believe, what is absolutely correct—because the officials of the department I know are competent and would not issue a statement if it was not correct—is significant. I know there has been an attempt made for a considerable time past to make it appear that dairy products from the province of Ontario are very inferior to those produced in many of the other provinces. As a matter of fact I know that a good deal of inferior butter finds its way into Ontario as a result of the low tariff existing in this country. The minister foresees the time when stores in Toronto and other cities will be selling imported butter from Australia and New Zealand, and yet he informs the House that he is a party to a trade arrangement with Australia under which the tariff on imports of dairy products from those countries will be still further reduced. It is a well known fact that much inferior butter has been imported into Canada. The minister to-day stated that inspectors are being sent throughout Canada, who find that considerable adulteration is taking place. I think it is up to the minister to inform us who the parties are who are adulterating dairy products, butter for instance, and where they are located. That is a most important thing for the people to know. If these parties are located in Ontario we would like to know it. If they are permitted to indulge in such practices I can only say the officials are not doing their duty. Nearly one-third of this vote is for the payment of officials—which does not include the salaries paid to the regular officials of the department under the head of civil government—and that is a considerable amount. When you find an item of $82,276 for officials in connection with this department surely it is not too much to ask that the act with respect to the adulteration of dairy products should be enforced and enforced to the very limit. If the minister wants to leave the impression on our minds that there is a considerable amount of adulteration going on, that cocoanut oil is being mixed with butter, and that the guilty parties are being found out, he ought to inform us how many cases of the kind have come under the notice of his officials and where the offenders are located.

Mr. MOTHERWELL: I do not think it would be quite fair to disclose the name of the creamery that has been charged with adulterating its butter. I understand from my deputy that the matter is under investigation now, and until we are absolutely sure as to the marking on the boxes, and that all the evidence points to that particular creamery, I would not like to publish the names for fear of doing an injustice to that concern. But I can tell my hon. friend that we are certainly getting after those who violate the law with respect to the adulteration of dairy products; there is no question about it. And we are instituting prosecutions. Sometimes it takes considerable time, there is a good deal of delay, there are adjournments and appeals, and other causes of delay. Nevertheless the government is instituting a prosecution, and we generally get results when the parties are guilty. With respect to the matter of grading, if it will make my hon. friend (Mr. Sutherland) feel a little better I would draw his attention to the manner in which the Minister of Railways (Mr. Graham) has sized up the situation. He has said that there is no question but that the average in Ontario and the east, particularly the Maritime provinces, is higher than in the west. There is no question about that, but it is also true that the three prairie

provinces carried off the great bulk of the prizes at the great dairy exhibitions throughout Canada. However, I will accept our own figures that the average of the grading in the east is higher than in the west.

Mr. CHAPLIN: What was the amount of exportations of butter to Great Britain last year?

Mr. MOTHERWELL: It was 21,000,000 pounds.

Mr. CHAPLIN: According to the report I have, we shipped 4,000,000 pounds of butter. The minister before six o'clock told us it was 15,000,000 pounds, and now he says it was 21,000,000.

Mr. MOTHERWELL: I have the figure here, seven million dollars—

Mr. CHAPLIN: I asked for pounds.

Mr. MOTHERWELL: I can give the hon. gentleman both.

Mr. CHAPLIN: Before recess the minister said we shipped to Great Britain 15,000,000 pounds of butter. According to the trade returns of 1924, we shipped to Great Britain 4,371,000 pounds. I should like to know where the discrepancy comes in.

Mr. CAMPBELL: I have the statement of the Bureau of Statistics. This shows that the amount of butter we shipped to the United Kingdom in 1924 was 15,236,000 pounds.

Mr. MOTHERWELL: Does the hon. member want more than one year?

Mr. CHAPLIN: I am referring to the last year.

Mr. MOTHERWELL: We shipped out of the country 21,676,038 pounds.

Mr. CHAPLIN: That is the total export.

Mr. MOTHERWELL: Yes.

Mr. SUTHERLAND: The Trade of Canada for 1924 shows the total exports were 13,648,000 pounds. In the exports to the United Kingdom there was a decrease of 75 per cent in the quantity of butter exported from the amount exported the year before. In 1923 there were exported 17,527,407 pounds, and in 1924 there were exported 4,371,197 pounds. Surely there must be some explanation for this tremendous discrepancy.

Mr. MOTHERWELL: What is the hon. gentleman quoting from?

Mr. SUTHERLAND: The Trade of Canada for 1924, published by the Department of Trade and Commerce.

Mr. CAMPBELL: I have before me the figures prepared by the Bureau of Statistics which show the shipments of butter to the United Kingdom for 1922 to be 17,000,000 pounds; for 1923 4,000,000 pounds and for 1924, 15,000,000 pounds. I may say this is for the calendar year and not for the fiscal year. That may be where the difference occurs.

Mr. MOTHERWELL: I do not know what there is involved in this.

Mr. SUTHERLAND: There is something involved in the fact that the fiscal year ending March 31 shows a falling off of about 75 per cent in our exports of butter to the United Kingdom.

Mr. MOTHERWELL: The inference is that the butter being better we eat more of it at home.

Mr. SUTHERLAND: The minister tried to convey the idea that there was a good deal of adulteration taking place in the manufacture of butter, and upon being asked how many cases of this kind have been detected, who the parties are and where they are located, it narrows down apparently to the case of one creamery, and he does not think it would be well to divulge the name. I think the minister is doing a great deal to discredit the standard of our dairy products, if he wishes to convey that idea. When asked to specify he does not think it would be advisable to mention the particular creamery that has been engaged in this work. I hope I have not misconstrued the minister's statement, or at least I hope it is narrowed down to one instance.

Mr. MOTHERWELL: I think my hon. friend overlooks the fact that I said there was just one case where it had been traced to a creamery—

Mr. SUTHERLAND: Exactly.

Mr. MOTHERWELL: —where it had been exported and traced back to a creamery, and we are in course of investigating that further before we will be justified in coming to the conclusion that it is the guilty party.

9 p.m. From April 1, 1924, to January 22, 1925, 75 convictions were secured by inspectors in connection with which fines amounting to $4,686.10 were imposed. Of these convictions 43 were on account of excess water in butter; six were on account of short weight prints of butter; 25 on account of butter containing foreign fat and one on account of inferior curds hav-

ing been placed in the centre of cheese. The principal prosecutions have been on account of putting too much moisture into the butter, and there has been a substantial number of prosecutions.

Mr. SUTHERLAND: Does the minister say there were twenty-five cases of foreign fat being mixed with the butter?

Mr. MOTHERWELL: Yes, whatever I have read.

Mr. SUTHERLAND: This is the most important feature of the whole matter, because it is well known that a great deal of this adulteration has been going on, and if there are twenty-five instances of foreign matter being mixed with butter in this country, it is not any wonder that our butter has a poor reputation.

Mr. MOTHERWELL: Only one case for export.

Mr. SUTHERLAND: I am speaking of the butter for home consumption. The people of this country are entitled to as good butter as the people of the Old Country.

Mr. MOTHERWELL: No question about that, but you were talking of spoiling our market.

Mr. SUTHERLAND: Yes, exactly; we have a home market, which is a most valuable market, and we should encourage our people to use more dairy products than they are using, but if you are going to permit inferior butter to be brought in and mixed with our butter and put on the market, then you will destroy our reputation for butter among the people of the country.

Mr. MOTHERWELL: What does the hon. member suggest we should do?

Mr. SUTHERLAND: I am amazed to find that with 25 cases of infractions the fines only amount to four thousand odd.

Mr. MOTHERWELL: We do not impose the fines. The magistrate or judge imposes them.

Mr. SUTHERLAND: If the fines are not commensurate with the offence, I think it would be well for the minister to inform the House as to the names of the parties who have been mixing foreign matter with the butter, and tell us where they are located. It is too important a matter to be passed over lightly. This has been going on for a considerable time, and it is time a stop was put to it, and penalties imposed which would be sufficient to prevent it occurring again. The most effective way I believe at present of dealing with it is to let the country know who these parties are and where they are located; then you will be able to trace the matter and get the facts.

Mr. MOTHERWELL: In the act we are drafting we are proposing to increase the fines. We find that both the judges and magistrates in their judgment impose fines which are pretty close to the minimum. I hope that the proposal which will be found in the new bill that I forecast before dinner will meet with the hearty approval and support of my hon. friend.

Mr. CHAPLIN: Were these individuals breaking any law?

Mr. MOTHERWELL: Well, rather.

Mr. CHAPLIN: Then why should one lawbreaker be immune from publicity and not another?

Mr. MOTHERWELL: There are usually newspaper men around who give the necessary publicity.

Mr. CHAPLIN: I understood from the minister a moment ago that these cases were not made public.

Mr. MOTHERWELL: There was no publicity in the creamery case because there was no conviction; the party was only under suspicion.

Mr. CHAPLIN: I see no reason why the minister should not make the whole thing public before the committee.

Mr. MOTHERWELL: This is not a private police court.

Mr. SUTHERLAND: The minister has evidently given the creamery manufacturers a pretty clean bill of health.

Mr. MOTHERWELL: If the hon. member (Mr. Chaplin) will ask for a return the names will be given him.

Mr. CHAPLIN: In connection with this item there was in the estimates in 1923 a sum of $175,000 and the item has grown year by year. I protest that it is time for this government to practise somewhat the economy about which they are boasting. The officials of this department are consuming too much money and it is time to stop this sort of thing. Here is a good opportunity for economy. The importations of butter are increasing while the exportations are on the decline, and yet the expenses of this department are going up.

Mr. MOTHERWELL: I have already pointed out that we have taken on the additional work of the grading system which in itself costs $75,000 in round numbers; and if we are to carry out the suggestion of my hon. friend (Mr. Kennedy, Glengarry) which is not without merit, that will mean another $75,000 for the compulsory grading of the product for home consumption. Now, it is obvious that if you get a new service you must incur a greater expenditure.

Mr. SUTHERLAND: The minister has informed us that 25 fines were imposed for the mixing of foreign matter with butter. We were also led to believe that the creamery manufacturers in the country were not doing just as they should. The matter narrows itself down to this, that there is one creamery merely under suspicion without any conviction registered against it. It is possible that this creamery may have been a little careless, without having offended intentionally. But the fact is that in 25 instances foreign matter was mixed with butter, and in those cases there were convictions. Were these all individual cases, or were any of the 25 fines imposed on the same parties a second or third time?

Mr. MOTHERWELL: Those 25 represent so many different parties I understand.

Mr. SUTHERLAND: I have for a number of years back, even before the present government came into power, taken a strong stand against the adulteration of butter, and that was one of the reasons I objected to the manufacture of oleomargarine; I did not approve of the manner in which the manufacturers of this commodity were permitted to bring material into this country without a tariff and mix it with other stuff and offer it to the public for sale. And until we take steps to see that the Dairy Standards Act is applied to all parties and to all dairy products put on the market we shall have a good deal of this inferior stuff offered the public, to the ruin of our reputation for wholesome produce I am ready to admit that you will find a great deal of this in the province of Ontario. Dairy produce is one of the things the value of which as a foodstuff the people of Canada have absolutely overlooked notwithstanding the high cost of living. If a great deal more dairy produce were used instead of so much of these inferior articles people would be healthier and they would be better satisfied, and until we see to it that no adulteration takes place we shall not have a desirable state of affairs. With the army of officials which we have at the present time there is no excuse for this condition continuing. If the minister, in the bill that is to be introduced, will see that a penalty is imposed which will be so drastic that no one will attempt anything of the kind, the effect I have no doubt will be salutary. But that does not preclude the possibility of this cheap article being imported into the country and placed on the market where no standard applies to such importations. There is no standard in the case of this stuff that is brought into the country, although there is a standard of grading in the case of the butter we export. You can import an inferior article which is subject to no system of grading and do anything you like with it, but when it comes to exporting local produce you are confronted with a system of standardization. The people at home are therefore suffering as a result of the regulations; we are doing everything possible to protect the health of the people abroad while we are doing nothing to protect those at home.

Mr. MOTHERWELL: The hon. member, I take it then, is in favour of extending the grading system to all products, both imported and exported, alike?

Mr. SUTHERLAND: I am not very enthusiastic for a grading system. I have expressed myself with regard to this matter many times in this House, and I repeat now that I believe in competition wherever it is possible. I do not believe in too much nursing legislation; I do not think that we ought to do for people what they know a great deal more about than we do. This has been brought out by the hon. member for East Hastings (Mr. Thompson) in regard to the cheese graded by Montreal as No. 1 and sent to the Old Country where it was sold as a lower grade. The minister asks, who has the authority over there to set aside our grading?

Mr. MOTHERWELL: I did not say that.

Mr. SUTHERLAND: I misunderstood the minister then. The statement made by the hon. member was that cheese had been shipped in this way and the minister took exception to the purchaser over there designating the article a lower grade than that which had been fixed by his officials.

Mr. MOTHERWELL: It is a matter of judgment on both sides.

Mr. SUTHERLAND: Well, there is one thing certain, and that is that the purchaser knows what he wants and will pay according to the quality of the article. When you coddle people too much and do not allow their judgment full play you destroy it, just as the native faculties of a man atrophy

through disuse. I am not one of those who favour a good deal of the grading that is being done by the Department of Agriculture in another direction. Eggs for local consumption are graded in this country to-day, and eggs graded as No. 1 may be placed in a shop window where the sun can get at them through the glass and in twenty-four hours they are in such a state that they ought to be graded No. 3. People in that case have to exercise their own judgment, but the dealer might say that the eggs having been graded No. 1 he was not responsible for their condition. We have too many government officials in the country to-day. The minister is creating a whole army of unnecessary officials in connection with many branches of the Department of Agriculture and that this practice is having no good effect is borne out by the evidence which we have in the exports of produce of this kind—a falling off of 75 per cent in our butter exports last year compared with the year before. Is that a desirable state of affairs?

Mr. MOTHERWELL: Our cheese shipments have increased.

Mr. SUTHERLAND: I believe our cheese shipments have been higher in years gone by. The possibilities along this line are very great indeed. I know considerable dissatisfaction exists to-day because of the fact that cheese has to be shipped from the factory to some grading centre, where it is graded by people who do not come in contact with the manufacturer. If the grading was done at the factory, the manufacturer would know why his butter was not given first grade and would take immedate steps to remedy the defect. As it is to-day, he finds weeks afterwards, maybe months, that his product is graded as No. 2 or No. 3, he is at a loss to understand this lower grading, and very often blames the official, although it may not be his fault at all. The minister informed us this afternoon that grading for western Ontario was done at London.

Mr. MOTHERWELL: Part of the time.

Mr. SUTHERLAND: In the oldest cheese-making district in the Dominion we find that grading takes place only part of the time. I believe the next grading station is at Belleville?

Mr. MOTHERWELL: Toronto and Belleville.

Mr. SUTHERLAND: Frequently it is weeks, yes I guess many weeks sometimes, before the manufacturer of the cheese knows just exactly how it is graded.

[Mr. Sutherland.]

Mr. MOTHERWELL: A triplicate copy of the certificate is sent immediately to the manufacturer and all other parties concerned.

Mr. SUTHERLAND: Is the cheese graded immediately it is received or after it has been in the cold storage plant for some time?

Mr. MOTHERWELL: If we adopted my hon. friend's suggestion of grading cheese at its point of manufacture, we would have to employ three or four times as many graders at a corresponding expense, and the work would not be done as satisfactorily because it would lend itself to all kinds of switching of certificates once the grading goes out of the hands of the cold storage authorities.

Mr. SUTHERLAND: Well, Mr. Chairman, it appears to me that with all our facilities for teaching people how to make cheese and butter those who are engaged in cheese-making should be taught in the dairy schools how to manufacture an article of the quality most in demand.

Mr. MOTHERWELL: That is a provincial matter.

Mr. SUTHERLAND: Yes it is; and now the government steps in and says, "No, we are not concerned about who makes the cheese, but we will see that it is graded, and if when the cheese reaches the Old Country it is found to be of a lower grade the dealer must lose the difference in price, and we are not prepared to stand behind our grade." Is that fair?

Mr. MOTHERWELL: Do you know any country where the system of grading is different?

Mr. SUTHERLAND: I am speaking of the practice here, and I am pointing out that it would be much more satisfactory and desirable to instruct our cheese manufacturers how to make a high-grade article. Let there be some competition along this line, and it will be unnecessary to have such an army of officials, whose activities are bound to have an irritating effect upon those engaged in the industry. If I were a manufacturer of cheese I would prefer the old practice under which the buyer attended our cheese markets and bought on grade, and if the cheese was a low grade the fact was pointed out to the man in the factory. To-day under the present system of grading the man in the factory may not know for some considerable time how his cheese has been graded, and naturally he is very much dissatisfied if he finds that it has

been given a lower grade than that which he considered its quality entitled it to receive. I am afraid no improvement has taken place under present methods.

Mr. WARNER: I think a great deal of benefit should result from this discussion, but I should very much dislike to see the item cut down. From my knowledge of the dairy business I am convinced that Canada depends a great deal upon its development, and I am glad that the government is active in promoting the industry. But I also feel that some of the criticism to-night has been timely. I would not oppose the grading of our butter for home consumption, but I have not studied this question so much as I have the necessity of securing uniformity of grade for our export butter. Our home market is good, but we cannot get rich by selling to ourselves; we must export our surplus to bring money into the country. The prosperous condition of the dairy industry in my part of the country has helped people to carry on, and many of them are doing quite well in the business. The hon. member for Mackenzie (Mr. Campbell) has dealt in detail with the subject of grading. As I pointed out last session, our disadvantage in respect of export trade as compared, for instance, with New Zealand, is that we have a limited federal jurisdiction and cannot encroach on the provincial field. I realize there is difficulty in securing export control by federal legislation, but if we could secure such control I am confident it would be better for us. My own province of Alberta has been improving grades until it has established a good reputation for its butter on the Old Country market. With respect to the $3,000 grant to the National Dairy Council, I do not stand for subsidies and bonuses more than other members of the House.

Ordinarily we are not supposed to ask for bonuses, but I know so well what the National Dairy Council have been doing that I think this $3,000 is well placed when it is put in their hands to help promote the dairy business in Canada. There seems to be some question as to how the National Dairy Council is formed. I know that in our province there are different sections of the dairy association: the producers' section have a representative and the manufacturers have theirs, the work, however, being that of one organization. I do not care to stir up the oleomargarine question, which has been referred to several times to-night, because I think it is dead; at any rate I hope it is. The National Dairy Council did much to bring about the defeat of oleomargarine in Canada; in fact, they were perhaps one of the chief factors in the fight. When we think of the work that the National Dairy Council has been doing for agriculture and for dairying we should not make mountains out of mole hills in regard to this vote of $3,000. It has been a great source of satisfaction to me that the present government have been as favourable as they have to the development of the dairy business. They may have made mistakes, but people who do not make mistakes do not do much else. I have myself on several occasions suggested remedies for defects in the regulations or in the laws and I believe we can improve them. If we try to help the government in the improvement of laws and in the development of the dairy business we will get much further than if we simply find fault with everything they are doing. I am not trying to defend the government, because I think they are able to defend themselves; but we cannot afford to cripple the dairy business in order to get back at any political group or any political party that is in power. We should deal with this matter on its merits; we should not allow prejudice of any kind to interfere with the building up of the dairy business. I am sorry to hear that the export has fallen off; I am at a loss to know why. I am sorry also to hear that so much butter has been imported. Some few years ago a dairy concern that I was interested in was called upon to compete with the New Zealand butter on the Pacific coast. The New Zealand butter got established at that time among those who cared for a lightly salted butter and we had some trouble to get a butter that would compete with it, mostly on account of its carrying so little salt rather than being of better quality otherwise. It was not that there was not enough or as good butter in Canada, but the butter that came from New Zealand was different from ours. However, I think we have largely overcome that. Let us help the government to remedy the defects connected with the handling of our dairy products and their sale in the export market. Let us do the best we can and let us not depend on the government to pass a law in order to make us do good work and to produce clean, sweet butter and cheese. We should not expect the government to do it all; we can do a whole lot ourselves.

Mr. CAMPBELL: For the information of the hon. member (Mr. Sutherland) I would like to read a clipping from the London Grocer dealing with the question of butter. It is as follows:

The present season—

This refers to the season of 1923.

—has witnessed an unusually heavy import of Canadian butter. In a general way the butter from the provinces of Manitoba, Saskatchewan and Alberta proved superior to the article produced in the eastern provinces, and commanded a higher price. This goes to show the value of united effort as exemplified by co-operation between the creameries and the provincial governments of Manitoba, Saskatchewan and Alberta, and these provinces have very efficient systems of government grading.

I understood the minister to say that the regulations for the export grading of butter were the same in New Zealand as in Canada; am I right in that?

Mr. MOTHERWELL: Yes, as near as possible.

Mr. CAMPBELL: Then I am inclined to think they cannot be very well carried out. Judging from information I have had from private sources, from people who have been in the Old Country and have bought New Zealand as well as Canadian butter, and also from articles in the Old Country papers, I am convinced that our butter is not grading up to the standard. I do not refer to quality so much as to standard; it is not equal to that of New Zealand. This is a matter that should be thoroughly looked into. I have talked to a great many people during the last two years who have been in the Old Country and I am assured by them all that they cannot depend on the standard quality of Canadian butter being maintained. Would the minister give us some particulars with regard to the two sets of regulations, New Zealand and Canadian? The last information I had was that they were very different.

Mr. MOTHERWELL: Even though the standards may be identical, it does not follow that the butters are identical. New Zealand may score higher on the same standard than we do, and thus produce a most acceptable butter. It may be in the salting; it may be in the texture. They cater more to the Old Country market than we do. We depend almost entirely on the home market; we do not strive after the foreign market to the same extent that Australia and New Zealand do.

Mr. CAMPBELL: These essential qualities should, it seems to me, be provided for in the regulations—the salting, the flavour, and so on. Surely if the regulations are to be effective at all these things must be provided for. The question is a very important one. Nothing should be left undone to bring our butter up to the same standard as that of New Zealand.

[Mr. Campbell.]

Mr. MOTHERWELL: My hon. friend does not see the distinction. We can put on paper what we like as a standard, but that does not make the butter; the quality depends upon the person who makes the butter. Australia and New Zealand seem to make butter that is more acceptable on the market to which we also send ours; they seem to comply with the standard requirements better than we do, and they get a better price. Here are the standards for grades of creamery butter in Canada. We have not the Australian standard, but it is largely the same. I may say Dr. Ruddick was over in New Zealand and Australia a little over a year ago, and he got the very last word on dairy production there. About twenty years ago he assisted in laying the foundations of the dairy industry in New Zealand himself, and his work has been carried on there by another Canadian who succeeded him. The standards are as follows:

STANDARDS FOR GRADES OF CREAMERY BUTTER

Scale of points for scoring butter

	Points
Flavour	45
Texture	15
Incorporation of moisture	10
Colour	10
Salting	10
Packing	10
Total	100

Then it goes on to define what flavour means:

Flavour means fine, sweet, mild and clean. Texture firm, close, smooth and waxy.

And so on. If my hon. friend was a better butter maker than I am, he would come nearer to that ideal. I am less competent, further away from that ideal than he is, but the standard is the same for us both. He merely succeeds in obtaining a higher score than I do. He may get 99 out of 100, and I may get 95, but we are both aiming at the same standard.

Mr. CAMPBELL: Should not the regulations be fixed so as to make it a different grade if a higher figure is reached? Suppose one scores higher than 45 in flavour for No. 1, should he not get some special grade? Surely there is some way of getting around that.

Mr. GOULD: I should like to ask the minister if in his opinion it was the good quality of our butter which caused the United States to put a duty of 8 cents a pound against it, and if so, why is it necessary to spend this huge sum to further increase the quality of our butter.

Mr. MOTHERWELL: I think the action taken by the United States was simply in conformity with the general policy of their government. The farm bloc there have a little different idea of protection from the farm bloc in this House. They wanted to protect butter, so they put a duty of 8 cents against it. I do not think it was because of the special quality of our butter, but just on the general principle of keeping it out. I have another definition here of what the different grades call for.

Special grade butter must be made from properly pasteurized cream, showing no reaction by Storch test, total score 94 and over. Minimum score for flavour 41.

First grade of butter, total score 92, and under 94; minimum score for flavour, 39.

It goes on with the rest of the grades in the same way. The specifications for the different grades are set out just as are the specifications for the first three grades of wheat, for instance, with which my hon. friends are familiar. The statute fixes what shall constitute the first three grades of wheat, and the four commercial grades are determined by the Standards Board. These grades are applied in just the same way.

Mr. GOULD: Is one individual capable of inspecting cheese, butter and eggs, or have you three sets of officials for grading these three products?

Mr. MOTHERWELL: I understand the same graders will grade both butter and cheese, but not eggs. There is nothing to hinder them from grading eggs also, but it is not practical for the grader to take on too many duties.

Mr. CAMPBELL: Is anything being done by the department to encourage our trade in butter with Germany? This year we shipped to Germany 862,000 pounds of butter; she is now our third best customer. I understand there are opportunities for a very large development of that trade there. I wonder if the department is doing anything to encourage it.

Mr. MOTHERWELL: That is a matter for the Department of Trade and Commerce. We are exporting so little butter compared with our total production that we have no difficulty in finding a market for it in Great Britain, but as a matter of fact I did not know that any of our butter was going to Germany. I do not know that it would hurt if more butter did go; I do not know what my hon. friend is referring to. Our butter will seek whatever market is the best.

Mr. CAMPBELL: It will not always seek it if there is not some effort behind it upon the part of the department. What I am concerned about is the rate at which our butter production is expanding. The minister knows the history of the butter industry in western Canada. I am concerned as to the outlet. When we look at the figures here, we find that the United Kingdom is increasing her consumption of butter every year. This year there is an increase of 6,000,000 pounds over that of last year in her consumption, and last year showed a very considerable increase over the preceding year; in fact, I believe that for ten years the consumption of butter in the United Kingdom has been steadily increasing, and yet we do not seem to be holding our own in that market. It seems to me there is something wrong, and if these regulations of ours are the same as those of New England it must be that they are not as strictly enforced. There appears to be something lacking. I have been assured by people from the Old Country that our butter cannot be depended upon to be always up to the same level like New Zealand butter.

Mr. MOTHERWELL: For fear a wrong impression has been left I want to repeat that a man who puts poor butter on the market may well be concerned as to the future price he will get, but the man with good goods need never fear that he will not get a good price for his product. There is always a bigger demand for high class dairy products than the supply.

Mr. SUTHERLAND: Has butter which is imported into this country to be graded?

Mr. MOTHERWELL: I understand that is not compulsory, but it is inspected. I think my hon. friend is under the impression that poor butter is being imported and is used for diluting our better butter. We have no knowledge of that. The adulteration is invariably done with some of these oils, such as cocoanut oil.

Mr. SUTHERLAND: The question I asked was as to whether it was necessary to have this butter which is imported graded.

Mr. MOTHERWELL: No.

Mr. SUTHERLAND: It is not compulsory to have this imported butter graded, but it is compulsory if you are going to export butter to have it graded, regardless of what the demand may be abroad. With regard to ice cream, which has become quite an important branch of the dairy business on account of the dairy products entering into it,

the last report I have been able to get shows that for 1923 the value of the ice cream was $7,473,144, and that 89,809,600 pounds of milk went into its manufacture. If the minister is anxious to have an efficient and uniform system of grading let him turn his attention to the ice cream which is sold. A great deal of it is called ice cream, and I venture to say there is not a particle of cream in the mixture; that is well known.

Mr. MOTHERWELL: I answered that point earlier in the evening by saying that ice cream is under the Department of Health. Speaking from memory I think there is provision as to the amount of butter fat which it must contain, but the matter does not come under my department.

Mr. SUTHERLAND: It might, I presume, come under the Ontario Temperance Act. I can scarcely understand how the minister can contend that this should come under the Department of Health.

Mr. MOTHERWELL: I do not make such a contention; the matter simply happens to be just there.

Mr. SUTHERLAND: I think the minister, in view of the fact that 89,000,000 pounds of milk go into the manufacture of ice cream and that he is at the head of this particular branch of the department, ought to take steps to assume control of the matter.

Mr. MOTHERWELL: I have troubles enough without borrowing any more.

Mr. SUTHERLAND: There is no commodity to-day on the market which is such a deception on the public as ice cream, a great deal of water, powder and other ingredients being mixed together and frozen. The fact that it is frozen is perhaps one of the few safeguards about it. The large quantity of milk I have mentioned goes into its manufacture, but if some steps were taken to ensure the purity of ice cream the amount of milk might be doubled.

Mr. MOTHERWELL: I agree with my hon. friend entirely. I may say, however, that I think some grading was done last year by the Department of Health. There is no question but that there is a lot of spurious stuff called ice cream.

Mr. SUTHERLAND: The minister thinks the matter is under the Department of Health.

Mr. MOTHERWELL: I said I thought it had been graded last year. I know it is under the Department of Health.

[Mr. Sutherland.]

Mr. SUTHERLAND: All I can say is it is a most remarkable place to have it.

Mr. MOTHERWELL: I agree with you.

Mr. THOMPSON: I agree with the hon. member (Mr. Sutherland) as to the desirability of grading cheese in the factory. Representing, as I do, a dairy section I may say that we have had grading for a great number of years. The grading was done in the factory and gave entire satisfaction. Let me point out further that the dairymen took the matter up and sent a petition to the Minister of Agriculture asking for the grading to be done in the factory. The Eastern Dairymen's Association met in the city of Belleville and there was an attendance of some three or four hundred delegates. A vote on grading in the factory was taken, and there was a unanimous expression of opinion in its favour. The minister was represented there by Mr. Duncan Marshall, and he informed the dairymen that he would convey their views to the minister. A deputation was also appointed which went down to Ottawa and urged upon the minister that grading be done in the factory. The minister says it is impracticable to do this but in view of my extended experience I disagree with him. I know that a grader can grade three counties. The grading is practically done in the first two days of the week, and the grader has virtually the rest of the week to himself, so there is nothing to hinder him from driving around and inspecting the product of the factories. There would be an educational feature about doing it that way. The grader could explain where the defects in the cheese lay, and those defects could be more quickly remedied. At the present time the cheese are sent to Montreal, and the minister says a certificate comes right back. Well, it takes a few days for the cheese to arrive there and a week elapses, sometimes two weeks, before the certificates come back. I know this for a fact. I see a great many certificates and I know what I am talking about. In the meantime the maker has made perhaps a few thousand dollars worth of inferior cheese before the certificates have been returned. If the cheese were graded in the factory and defects were discovered an inspector could get there and recommend remedial measures at once. The minister asked the hon. member for South Oxford what other countries guarantee the grading. I want to say that no other country, to my knowledge, ships in just the same way that Canada does. It is true that grading is in force in New Zealand, but regrading is done and the purchaser does not

have to bear the loss. The minister has referred to the conditions in New Zealand being superior to ours. With that I do not agree; I believe we have the best known system in the whole world to-day. The cheese are bought in Canada, and the farmer gets his money the very day of the sale. At any rate this is the system in central Ontario; I cannot speak with so much certainty as to the practice farther east. Cheese from New Zealand is consigned to firms in the Old Country and is dumped on the market. Quite often a lot of New Zealand cheese is dumped on the market at once, with detrimental results to Canadian cheese, and a reduction in price.

I reiterate my request that some explanation should be given with respect to the vote of $3,000 for the National Dairy Council. The minister has not yet given one word of explanation as to what is to be done with this money. Outside of this particular vote, thousands of dollars have been spent in entertainment and the payment of expenses, but no details have been vouchsafed as to what the council did last year.

The CHAIRMAN: Shall the resolution carry?

Mr. SUTHERLAND: Surely the minister can give the information asked for as to what this $3,000 is for. Who is going to receive the money, that is what we would like to know?

Mr. MOTHERWELL: I have already answered the question.

Mr. SUTHERLAND: As a rule the details of disbursements from the public treasury appear in the Auditor General's report. In this way it can be ascertained who received a particular sum of money. What the hon. member for East Hastings (Mr. Thompson) wants to know is, who is going to receive this $3,000.

Mr. MOTHERWELL: The National Dairy Council.

Mr. SUTHERLAND: What are they going to do with it?

Mr. MOTHERWELL: It is intended to pay the cost of educational work in which the council are engaged throughout the Dominion.

Mr. SUTHERLAND: Last year we paid the travelling expenses of the delegates of this association, and several hundreds of dollars additional were incurred in entertaining them when they arrived here. I do not believe the minister gave us more than one-half of the names of the members of this association.

Mr. MOTHERWELL: That is right. I thought it would be tiresome. I have them all here.

Mr. SUTHERLAND: Would the minister inform the House who appoints the members of the National Dairy Council, and how they are appointed?

Mr. MOTHERWELL: By the various dairy bodies throughout Canada, about twenty. The associations are as follows:

The British Columbia Dairymen's Association, The Fraser Valley Milk Producers' Association, The Alberta Dairymen's Association, The Saskatchewan Dairymen's Association, The Western Canada Ice Cream Manufacturers' Association, The Manitoba Dairymen's Association, The Eastern Ontario Dairymen's Association, The Ontario Milk and Cream Produce Association, The Canadian Creamery Association, The Canadian Ice Cream Manufacturers' Association The Milk Producers' Interests, The Condensed Milk Interests, The Canadian Milk Distributor's Association, The Quebec Dairymen's Association, The Montreal Milk Producers Association, The New Brunswick Dairymen United, The Dairymen's Association of Nova Scotia, The Prince Edward Island Dairymen's Association, The Holstein Friesian Association of Canada, The Canadian Ayreshire Breeding Association, The Canadian Jersey Cattle Club.

And then follows the executive which I read earlier in the evening.

Mr. TOLMIE: In view of the large grant which the Canadian National Dairy Council receives, does the minister approve of the action of its secretary in taking an active part in electioneering work while holding office?

Mr. MOTHERWELL: I was not aware that he did so. I suppose he has a right to exercise his franchise, even if he is a member of the association. We have nothing to do with appointing him or paying him. I do not control him in any way. Here are about twenty organizations without political predilections that I know of. They appoint Mr. Scott as their secretary. I do not know what we have to do with his political
10 p.m. activities, admitting that he does exercise these activities. I do not know that he does. He is responsible to these organizations who have appointed him and pay him, and if he has gone wrong they can call him to account.

Mr. TOLMIE: Is there any renovated butter being manufactured in Canada?

Mr. MOTHERWELL: Not that I know of.

Mr. TOLMIE: What becomes of the rancid butter that is unfit to eat.

Mr. MOTHERWELL: I think it is shipped to the Old Country and the United States.

Mr. TOLMIE: For renovating purposes?

Mr. MOTHERWELL: It is more a blending process, melting it down. In the United States I think it is renovated as well.

Mr. TOLMIE: And what is the average yield of the dairy cow in Canada.

Mr. MOTHERWELL: About four thousand pounds.

Mr. TOLMIE: What improvement have they made in the last three or four years?

Mr. MOTHERWELL: It is very hard to tell. I think it is by a generous computation that we credit them with four thousand pounds. I had an estimate of the general increase and I think it was about 10 per cent. I question very much whether it is over four thousand yet. As a matter of fact a great deal of it must have been below four thousand to make the average an even four thousand. It is improving a little bit.

Mr. SUTHERLAND: Is cow testing still being carried on?

Mr. MOTHERWELL: Yes, under the Live Stock Act.

Mr. TOLMIE: In view of the great importance of increasing the average yield of the cows of the country, with a view to cheapening the cost of production of dairy products, what steps is the department taking at the present time to improve the quality of our cattle?

Mr. MOTHERWELL: I think that is really provincial work. In some of the provinces they have been engaged at it for some years, —Saskatchewan, for instance. Where the other provinces will not take it up we deal with it. Apparently some of the provinces are not alive to the importance of it. My hon. friend has struck the weak spot in our dairy industry—the low product per cow. It is astonishing how many boarders are kept in our herds. The matter should be taken up by the provinces. Some of the provinces, to their credit, have taken it up, and others are gradually taking it up and where they do not take it up we handle it.

Mr. SUTHERLAND: Would the minister be consistent, fix the standard of production for the cow and appoint inspectors to go round and see that the standard is lived up to? The minister has pointed out that these dairymen's associations appoint the members of the dairy council. The minister knows very well that the dairymen's associations are not really dairymen. They are the dealers who are engaged in purchasing and handling dairy products. As far as Ontario is concerned I think that is the case.

Mr. MOTHERWELL: I think the hon. member is wrong.

Mr. SUTHERLAND: In the dairymen's associations I think you will find the majority are engaged in that business, and they are anxious that this grading should take place, just as the packing house people are anxious that the department should undertake the grading of their hogs. This is well known. There is no more excuse for the government stepping in and grading the hogs that are sold on the market than there is for grading anything else. The packing houses should purchase the hogs according to the grade, just as they do beef animals, and it is just as reasonable to fix a standard for beef animals and compel them to be graded as it is to grade hogs. The packers could do this work, and they have no one to blame but themselves if the standard of pork in this country is not as high as it should be. They could pay the price the hog was worth, just the same as they could in the case of a beef animal, and yet the department are not grading these animals. They are not grading the butter which comes into this country, but they are grading the eggs that are laid, and there is no possibility of adulterating an egg. It is in a case which defies anyone to put any mixture into it. It is simply a matter of sizes and quality. It is one of the simplest questions that could possibly be dealt with, and I question if those who are purchasing eggs for use in their homes know a small egg when they see it. If the minister wanted to do something that would satisfy the full demands of the public, he would compel people to sell eggs according to their weight. But to appoint an army of graders and put them loose on the country and disturb conditions by the threatening attitude they are assuming to-day will do much to discredit the egg business in the country, and if it continues I question whether the government will not be forced to drop the system which they have adopted. They have people going round through the country at this time threatening that if the eggs are not sold according to grade the producers are going to be prosecuted immediately. They are not going to tolerate it any longer. What is the result to-day? No. 1 eggs of the highest standard are being sold as No. 2, because in this way they can avoid the penalty, and consequently eggs that should sell for a higher

price are being sold at a lower price. The consumer has to go and purchase the grade of eggs, and as a result is paying more than he should for those eggs. It is an unnecessarily aggravating restriction that I believe is going to do much to create dissatisfaction in this country. And this army of officials who have been turned loose on the country are the biggest menace we have. The people of the country are intelligent, and we have schools to educate them to do things as they should be done. But when it comes to the National Dairy Council, I believe that a more useless body does not exist in the country, notwithstanding what others may say to the contrary. I believe I know what I am talking about when I make that statement. Now, it is only a short time ago since the minister altered the standard with regard to hog grading, raising the maximum weight by 10 pounds; and after the people had been compelled to accept a lower price during all that time it had been in effect the admission is made that it was all wrong. So that the people have had to suffer a loss at the hands of the department without being reimbursed. For the 10 pounds per hog they were forced to take a lower price. I put a question on the order paper last session to ascertain whether the department would reimburse them; for undoubtedly they have suffered at the hands of the department. The department admits that it was wrong so that the whole thing was merely an experiment, and now the minister is out with his egg-graders and is experimenting along this line. I am sure that this new experiment will work to the injury of both producer and consumer, because after eggs have passed through all these different processes of grading, entailing an additional expense, they will cost the consumer so much that he will be inclined to do with less of them. And if the producer is forced to sell his eggs as seconds to avoid anything of this kind he certainly will not receive as much as he formerly got for his produce.

Mr. MOTHERWELL: I would point out that we are discussing the dairy vote and I am afraid the hon. gentleman is off his eggs.

Mr. SUTHERLAND: I was making a comparison between the different systems which the minister is developing and which are all along the same line. There is a National Dairy Council, and that was the matter that was under discussion; and the minister apparently does not know where the money is going. In view of the statement of my hon. friend (Mr. Thompson) that Mr. Scott, the secretary of the association, and the present organizer of the Liberal party, had both been in his constituency talking to the people there, and had both been getting their money out of the Department of Agriculture, voted by the people, I think the hon. member is justified in suspecting that some of the money will find its way into the pockets of some of those who have been stumping for the government. We have been deceived in this respect before and it is quite possible that the same thing can happen again. I remember one night questioning an item in the minister's estimates and it was allowed to go through without an explanation, the committee being misled. Afterwards the minister absolutely refused to go back to it; he thought it was very clever to have got the item through that way and he laughed about it. A similar item has not appeared in the estimates since.

Mr. MOTHERWELL: I do not know what the hon. member is referring to.

Mr. SUTHERLAND: I made it clear; I mentioned two names of men whom I had been discussing. One is now under discussion, the other having been discussed on that occasion.

Mr. GOULD: I was wondering if the minister would not concentrate on the Old Country market for butter. The British people are the greatest consumers of our exportable surplus of some 15,500,000 pounds. The minister might be living in Liverpool or in London and might secure to-day five pounds of Canadian butter bearing the Canadian brand with all the necessary qualifications. He would find this butter perfectly satisfactory, and going back to-morrow he would be unable to get more of it, simply because we could not export enough. The 15,000,000 pounds which we export to Great Britain will provide one-third of a pound per capita for the people of the Old Country, so that we are making a big noise about nothing. My contention is that we should concentrate on the British market which will prove of considerable importance to us as our exports increase. We are doing good business on the British market and I do not think we should make any special effort to invade other countries. When my hon. friend (Mr. Sutherland) was speaking of eggs he said that this article went through so many processes that the price was increased so that the purchaser was bound to use less and less of it. I would remind him of the fact that they will use still less owing to the tariff. When we seek to enter the German market or any other market for that matter where they compete successfully with us, the moment we produce an extra No. 1 quality the people of that particular country will treat us in the same way as the United States have

treated us, by putting on a tariff against us. What benefit, therefore, shall we derive from developing that market? I argue for concentration on the British market; we get in free of duty, and our activities should be confined to that field.

Mr. THOMPSON: Is the Finch cheese and creamery factory run as a commercial proposition or for experimental purposes?

Mr. MOTHERWELL: It was started as a demonstration about twelve years ago to prove that a large factory with a large turnover could produce butter and cheese more cheaply than could a small factory. One would not think that this would require any demonstration but apparently it does, because 90 per cent of the factories are too small to afford the payment of good manufacturers. You do not, therefore, get the best results under such conditions. Having demonstrated that fact by statistics and results we feel that the work has been completed and have sold the building. We hope to take up similar work in Quebec later on.

Mr. LADNER: What were the results of the demonstration, in dollars and cents.

Mr. MOTHERWELL: The patrons themselves would be better able to answer that question; the fact that we could not take care of the large numbers who wanted to take advantage of the facilities is sufficient proof of the success of the undertaking. The patrons of that dairy station were charged regular rates for manufacture. They received in premiums over and above the average price, as much as $18,000 in a year; and during the period of government operation they received over $100,000 in premiums just because the factory was equipped to make butter and cheese and sell milk or cream to the best market. A good deal of the product was sent either to Montreal or to the American market, according to where the greater advantage lay. The factory was able to show satisfactory results inasmuch as there was a large turnover. The supply of milk increased from 2,069,000 pounds in 1912, the first year of operation, to 11,500,000 pounds in 1924. This, I think, will show the popularity of the institution as well as demonstrate the fact that a large turnover makes for the reduction of overhead per pound. The revenue received from the Finch dairy station, together with the sale price, exceeds the total expenditure on the establishment. Thus the dairy branch has had the advantage of practical experience in operating a large factory at no cost to the government whatever, and the farmers in the locality have received over $100,000 more than they would have received had they continued to operate the two small factories which were combined to make the Finch dairy station. I think this work was started under one of my predecessors, the Hon. Martin Burrell, and I wish to compliment him on the outcome of the demonstration.

Mr. LADNER: Why did not the minister continue the good work if it was so profitable?

Mr. MOTHERWELL: Because the demonstration has been completed. The present government of Ontario has taken the cue to some extent from the successful operation of that factory, and is bringing in legislation to consolidate the small factories and encourage the construction of larger factories. So I think our work was justified.

Mr. LADNER: Who bought that factory?

Mr. MOTHERWELL: The business in the district is becoming almost entirely confined to the cream trade; therefore it is difficult to carry on work in connection with butter and cheese. The station had become so large and cumbersome, and the demonstration had been so successful that we could not make it more so. The patrons to-day are shipping their cream in large quantities to both the United States and the Montreal market, and the business to-day is a purely commercial proposition.

Mr. LADNER: Are the patrons deprived of the advantages which the government provided at the dairy station?

Mr. MOTHERWELL: The patrons were in favour of selling the factory, and we gave them the first opportunity to buy it.

Mr. LADNER: Who bought it?

Mr. MOTHERWELL: The Canadian Milk Products Company, at $25,000. We got back all our expenditure—made the experiment for nothing.

Mr. LADNER: What capital investment did the government make?

Mr. MOTHERWELL: About $20,000. Additions were made to the station from time to time as the business grew.

Mr. LADNER: Was $20,000 the original capital?

Mr. MOTHERWELL: No, it cost originally about $15,000.

The CHAIRMAN: Does this vote include any money expended upon the Finch dairy station?

Mr. MOTHERWELL: No.

The CHAIRMAN: Then the discussion is not in order.

Mr. TOLMIE: Mr. Chairman, my inquiry a short time ago with regard to the butter fat yield of cows in Canada was prompted by a question I asked a very prominent creamery man in a certain province during last summer. I was astounded to learn from him that the average yield of the cows supplying his creamery was only 90 pounds of butter fat during the year, indicating that he could hardly be carrying on dairying at a profit, and the absolute necessity of adopting such methods as would improve the quality of his cattle at the earliest possible date. Is the minister still continuing the policy of distributing pure bred dairy sires?

Mr. MOTHERWELL: Yes, we are.

Mr. TOLMIE: Is the minister doing anything in connection with advance registration work of pure bred dairy sires?

Mr. MOTHERWELL: Yes, we are working in co-operation with the provincial organizations. We had a conference at which we discussed the question of advance registration of breeding animals. I forget what stage it has reached, but I know the proposal was very popular among the breeders, and it was taken to be an absolute requisite that if a buyer was to get value for his money he must know the production of the animal and its strain. I understand that the different breed associations are now engaged in discussing the terms under which animals will be admitted to advance registration.

Mr. TOLMIE: You have not got the standard settled yet?

Mr. MOTHERWELL: I think not.

Mr. THOMPSON: What was the item last year in the estimates for the Finch dairy station, and is there an increased appropriation this year?

Mr. MOTHERWELL: No vote has ever appeared in the estimates for the Finch factory. It was simply a subheading under the general vote.

Mr. LADNER: I have before me the Auditor General's report in which there is an item for the Finch creamery of $15,096.06, with the details specified, then an item for refrigeration of cars, followed by the general item, making a total of $226,000. Compared with the estimates for this year the figures in the report are lower.

Mr. MOTHERWELL: I think the hon. gentleman means that last year we had the cost of administering the Finch factory; this year we have not.

Mr. LADNER: Then the estimates should be that much lower this year, but they are not.

Mr. MOTHERWELL: We hope for a little expansion in certain other activities. If we have the money we will probably start a similar institution somewhere in the province of Quebec, giving the same demonstration in that old province as we did in Ontario.

Mr. LADNER: I would suggest to the minister in all seriousness that there should be no further expansion of capital expenditure except where it is absolutely imperative. The country is burdened with taxation that is invidious in comparison with the taxation of other countries and is faced with railway deficits. Surely the minister and his colleagues understand the temper of the people. I should hardly think that in contemplation of an electoral campaign, which certain events seem to point to, the government would expect to receive popular approval of any expansion of capital expenditure. As a matter of fact the estimates do not disclose any serious effort on the part of the government to practise that rigid economy which the public and many hon. members believe should be practised in these very serious times, and I am surprised that the minister should speak of expansion of capital expenditure in such casual terms without offering any explanation.

Mr. MOTHERWELL: I will speak when my hon. friend is through. We cannot both be standing up at the same time.

Mr. LADNER: We do not seem to be, either.

Mr. MOTHERWELL: No, and I do not intend that we shall be.

Mr. LADNER: The minister has plenty of chances to stand up. The trouble is that he does not speak to the point, but around it. I do not think we have had the information to which we are entitled. I have referred to the Auditor General's report and the decided increase involved in the estimates of this year. The minister says that is expansion, but what it covers the committee is at a loss to understand.

Mr. MOTHERWELL: Now that my hon. friend has sat down I will stand up. Yes, it is quite explainable. If I understand my hon. friend aright, he thinks we should stand still and not expand.

Mr. LADNER: No:

Mr. MOTHERWELL: Is that the idea, that we should not expand in any particular?

Mr. LADNER: I think expenditures should be cut down.

Mr. MOTHERWELL: In dairying? I had not heard that note struck; on the contrary, I have had complaints from practical dairymen opposite me that we should extend our activities. I would like to meet all hands, but when two views are diametrically opposed I cannot meet both.

Mr. LADNER: I do not want the minister to misrepresent my statement.

Mr. MOTHERWELL: It has always been the intention of the department that when the Finch demonstration was over we would transfer those activities to another province and give them the same advantage. Possibly when we are through with Quebec we may, if necessary, go on to the Maritime provinces. This kind of thing is needed very badly, especially in the two older provinces where there are such a large number of small creameries and factories. As to the Finch factory, I have shown that we got back our $25,000 plus $100,000 to the patrons over and above what they would have got if we had not carried on this experiment. That looks to me like good business, and we might well continue the work.

Mr. LADNER: I wish to correct the minister when he throws out the inference that I suggested any standstill policy. The minister speaks of expansion, but he does not tell us what that expansion is to consist of.

Mr. MOTHERWELL: I have done that.

Mr. LADNER: I have not heard it yet, and I do not think other hon. members have. This discussion originated out of the minister's statement that a little margin was being provided for expansion, but we do not know what the expansion is to consist of.

Mr. MOTHERWELL: I must be a very poor explainer. I said we hoped to establish a similar demonstration in the province of Quebec now that the work had been completed at Finch.

Mr. LADNER: Is provision made for that in these estimates?

Mr. MOTHERWELL: Yes.

Mr. LADNER: What is the plan the minister has in mind?

Mr. MOTHERWELL: To repeat in another province the experiment we carried out in Finch.

[Mr. Motherwell.]

Mr. LADNER: Is the place selected?

Mr. MOTHERWELL: No.

Mr. LADNER: What plans have been formulated?

Mr. MOTHERWELL: We shall be able to proceed on the basis of our experience at Finch. We have not yet determined where the factory will be located. I suppose we will have to follow the precedent established in Ontario by starting where three or four factories already exist, and dispose of them in some way. There is no use in starting on that until we know whether we get the vote through.

Mr. LADNER: The province is selected, the nature of the factory is determined. What further plans has the government formulated?

Mr. MOTHERWELL: The same as at Finch, except that we will build the factory all at once, not in pieces as we had to do before we knew what size would work to the best advantage.

Mr. SUTHERLAND: The minister has now given out information, after a long series of questions, that he might well have given at the outset.

Mr. MOTHERWELL: I have given it three or four times already.

Mr. SUTHERLAND: The minister has not given it three or four times, unless within the last five minutes, so far as the transfer of the creamery at Finch is concerned. I think I have followed the proceedings tonight pretty closely, and until the hon. member (Mr. Ladner) brought the matter up I was under the impression from the statement made by the minister a little while ago that this amount was being dropped out of the estimates. Now we are informed that it is the intention to open up the plant in another place. A few minutes ago I asked with regard to the cow testing and was informed that that came under the live stock branch. Last year some $24,500 was expended for this purpose, under the item we are now passing for dairying. The minister informs the committee now that this passes into another item of the estimates. Here is a reduction of nearly $25,000 for cow testing, and another, I do not know how much, in connection with the Finch creamery, which indicates that there has been an increase of between $30,000 and $40,000 in the estimates under this head for this year. The committee would like to know what this increase is for. The items are entirely different from what they were last year if $25,000

for cow testing is taken out and the amount for the Finch creamery is also taken out. Does the minister propose to make up this increase in government officials? Nearly one-third of the amount last year was for that purpose. If he will tell us what the increase is for he will save a lot of unnecessary discussion.

Mr. MOTHERWELL: My hon. friend heard the hon. member for Mackenzie (Mr. Campbell) and two or three others raise a point as to the advisability of making our grading system uniform. I explained that we had partly adopted the provincial system and that we hoped to make that uniform. Then we have the Bacteriological office, and the new station we contemplate establishing in the province of Quebec. That is what we have in view.

Mr. SUTHERLAND: What will be the estimated cost of these three activities?

Mr. MOTHERWELL: Seventy-five thousand dollars is about what it costs for the grading now. The factory similar to that at Finch will cost in the neighbourhood of $25,000 if the same kind of building is put up. Possibly by putting it up all at one time we will save enough to offset the increased cost of construction compared with that of twelve years ago. The cost of the Bacteriological office will be about $5,000.

Mr. SUTHERLAND: The minister evidently is going to withdraw the last of the experimental farm stations from the province of Ontario. The province of Ontario in the past has been carrying on practically all of this work with the exception of the central farm here at Ottawa, which is for the whole Dominion, while the province of Quebec is simply dotted with experimental farm stations and demonstration farms, and now they are going to receive another one, for $25,000 of this item is to establish a school in the province of Quebec. I think it would only have been fair that the minister should have advised the committee of this when he introduced his estimates. He proposes to take this station out of the province of Ontario and put it over in the province of Quebec, where they have already lots of them, and which province is receiving ten times the amount, yes more than that, for experimental work that the province of Ontario has been receiving. The province of Ontario has been doing this work itself and paying for it out of its own provincial estimates, while the other provinces have been coming to the federal government and getting them to carry on this work for them. Now we learn that the province of Ontario is to be punished for something, and that somebody else is going to be rewarded for something, because I cannot see any other justification for it than that. The minister has not explained why this is being done.

With regard to cow testing, there was an item of $25,000 in the Auditor General's report last year which was paid out of this vote. The minister now quietly informs the committee that this is going to be placed under the Live Stock branch and will not come out of this item at all. Consequently there is $25,000 there. We are also given to understand that this item is to pay for a whole lot more graders than we have had in the past—government officials by the score, costing hundreds of thousands of dollars, and the minister says, "Oh, we have not got a chance to expand. Vote us more money, and we will appoint another army of officials, and that will make farming prosperous."

The minister admits to-night that the exports of butter from this country to the Old Land last year decreased by 75 per cent over the year before. Surely this is enough to condemn the system which is in evidence everywhere in this country at the present time. I would like to ask the minister what amount will be required for the payment of these additional graders to whom he has referred.

Mr. MOTHERWELL: It just depends on whether we take the views of the hon. member for Glengarry and go ahead and grade all the butter, or whether we take the views of the hon. member for South Oxford and just chew the fat. It will cost about $15,000 altogether.

Mr. SUTHERLAND: The minister has a very clear idea as to what he intends to do when he comes before this House with his estimates. It all depends upon what the hon. member for so-and-so or somebody else thinks about it. He will take the views of this member and that, and strike a happy medium finally, but at the present time he is in the woods. He does not know where he is, or where he is going to land. This is a new way of bringing estimates before the House. I think the minister is almost unique in that respect, and if we are going to have all the estimates dealt with in this way, we are going to have a considerable lot of time taken up dealing with them. The minister is going to find out before he spends this money what are the views of so-and-so. Evidently he understands what are the views of the

people of the province of Quebec with regard to the creamery which is now situated at Finch in Ontario. He thinks they are more entitled to it than the people of Ontario. Would the minister tell us whose views he is agreeing with when he does that? Is he agreeing with some hon. member of this House who has expressed the view that that should be done?

The minister knows perfectly well that the federal government are conducting practically all the experimental farm work in the province of Quebec; they have half a dozen experimental farms there, and a dozen demonstration farms maintained by the federal government, and I do not think there is a single one in the province of Ontario, with the exception of the one on the Transcontinental at Kapuskasing, and a small tobacco farm of forty acres at Harrow. That is the extent of the experimental work this government is doing in the province of Ontario. In spite of all the apparent discrimination against this province in the past, matters are now going to be worse because the station at Finch is to be transferred to the province of Quebec. The minister says that if he agrees with the hon. member for so-and-so he is going to spend some of this money for graders of some kind, and all the committee is supposed to do is vote this sum blindly, and let the minister do with it just as he pleases. That is practically the policy the minister is adopting on this the first item in his estimates. Why does not the minister frankly and straightforwardly inform the committee what he proposes to do with this money instead of our having to drag the information out of him as we have had to do to-night? At this late stage of the debate on this one item we are now informed what he intends to do with a part of it, but as to the other part he has not yet decided. All we are expected to do is to vote the money, and if he agrees with the hon. member from some place or other he will do so-and-so, and if not he will do something else. Surely that is no system upon which to base a request for this committee to pass an estimate. The minister should know what he proposes doing with this money if we vote it. It is not his money; it is not ours; it is the money of the people of this country; they will be taxed for it and have to pay it out of their pockets, and they are entitled to know what is going to be done with it.

Mr. TOLMIE: I would like to know what is the cost of transporting butter from Calgary by way of the Panama canal to Liverpool, and by way of Montreal to Liverpool; also the cost from New Zealand to Liverpool, and the cost from the Argentine Republic to Liverpool.

Mr. MOTHERWELL: I have not the figures here. Some of the western butter goes by way of the Panama canal, and some by way of Montreal. It just depends on what kind of despatch they can get. Shippers by way of the Panama canal have had some difficulty owing to the butter contracting a fruity taste as a result of shipping it with oranges. I do not know whether that is going to deter the butter from going that way at all. A lot of shippers in Alberta I think prefer shipping by way of the Panama canal. That route attracts butter as far east as Regina sometimes. I do not think there is much difference in the rates. It depends on how long they can afford to wait. If the market is rising they do not like to ship by way of the Panama canal, and if they want to get to the market before it drops the butter will go by Montreal, because that route is quicker. We have not got the different freight rates here, but there is not very much difference.

Mr. LADNER: In the Auditor-General's report under the heading of Dairy, showing how the estimates of last year were spent, is an item "Extension of Markets." Is provision made for extension of markets this year, and if so how much?

Mr. MOTHERWELL: I may say, in connection with the extension of markets estimate in case it should be thought we are seeking for markets in Europe and scattering our activities to an unnecessary degree, the expenditure is largely devoted to securing market quotations and sending them round to the farmers and the various dairy organizations and creameries, so as to keep them posted in regard to the actual condition of the market. Then we will be able to know exactly what they are getting—whether they are getting the market price or not.

Mr. LADNER: The minister again misses the point; that was not my question. If I may submit, my question was not about scattering activities around. My question was whether provision is made in these estimates for the extension of markets as found in the expenditures of last year amounting to $28,000.

Mr. MOTHERWELL: I am having it looked up.

Mr. SUTHERLAND: Will the minister assure the committee that the expenditure for cow testing is being taken out of this item?

Some hon. MEMBERS: Carried.

Mr. LADNER: No, Mr. Chairman, we must have an answer.

Mr. MOTHERWELL: I do not think we have in the departmental accounts subdivisions to correspond with those which appear in the Auditor General's report, but the services are the same. Sometimes they change these heads and subheads from what they are in our own report. I find here "cargo inspection". That means at Montreal, or wherever the products are shipped from, and on the other side on arrival, just to look after the difficulties occasioned by storage in proximity to something that is objectionable; to see that the product is packed tightly and not shaken around in transit as it would be if not packed properly. Now let me give some details:

	Salaries	
	1925-26	1924-25
Five cargo inspectors	$ 7,675	$ 7,675
One cargo inspector at Halifax.	2,047	2,047
Five cargo inspectors in the United Kingdom..	10,235	10,235

That deals with the report on the condition of the wares when they arrive there. That is how we got the information about the condition of the cheese boxes when they arrived in England. Sometimes the information comes from our cargo inspectors, and sometimes from visitors who happen to be around the docks at the time of the arrival:

	1925-26	1924-25
Incidentals..	$500	$ 500
Repairs to thermographs..	296	296
Travelling expenses to St. John and Portland..	800	1,000

Then it is carried forward $25,434:

Investigator for weighing of butter and cheese	$1,800	$1,785
Travelling expenses..	900	900
Dairy market reports..	1,800	1,740
Travelling expenses..	347	347
Telegrams..	600	600
Cables..	113	528

Quite frequently we get cables as well as telegrams in order to keep up the requirements for information in the interest of those who have goods to sell. Formerly our dairymen were largely in the dark, or else they were put to considerable expense individually to get this information. We get it at the cost of one message. Then it is sometimes distributed either by telephone or telegram. I think in some instances it is done by radio. I saw one message that Dr. Ruddick sent over the radio.

Mr. LADNER: That is not the information I was asking for. There is an item in the Auditor General's report for last year which is:

Salaries and expenses of officials. $28,009.19.

The items which the minister was reading are the items under an entirely different paragraph known as "general expenses," and in the Auditor General's report a detailed list of expenditures appears. Does not the department follow a somewhat similar principle in arranging their estimates so that comparisons can be made between this year and last year?

Mr. MOTHERWELL: These are the same services.

Mr. LADNER: What do they amount to?

Mr. MOTHERWELL: Under the headings I have just read out, $59,090. The items are not necessarily identical with those in the Auditor General's report. I should not like to take the responsibility for the entries in that report because items are sometimes consolidated or the statement abbreviated for the sake of convenience and a general statement made covering the whole of the items I have just read.

Mr. LADNER: There is quite a difference between $59,000 and $28,000.

Mr. MOTHERWELL: I think it is likely that one of those amounts covers a larger field of activity. Are there any refrigerator activities included in the item about which my hon. friend is asking? Exclusive of refrigerator activities the amount is $30,990. I was including the refrigerator car service, and the icing of butter cars. The creamery cold storage bonus is also included in this item, so that I was including more under that heading than should have been included. Concluding with the salary of one market report inspector and travelling expenses, telegrams and cables, the item stands at $30,990.

Mr. LADNER: If the item of $42,000 is deducted—

The CHAIRMAN: That is not in this vote, the minister says.

Mr. LADNER: Mr. Chairman, I am making a comparison between the estimates of last year and those of this year, and I think it is perfectly in order to refer to these items. I say if the deduction is made of $42,000 and of $15,000 you have a total reduction of $57,000. So that this year's estimate should actually be $57,000 less than last year, or else there are expansions which, with the exception of the one we have already discovered, have not been disclosed. I would ask the minister if there are any other expansions beyond the one he has disclosed which is to be made in the province of Quebec.

Mr. MOTHERWELL: My figuring is that we have just about enough money to take care of the expansions that I have already enumerated. The vote will merely see us through and there will be nothing over for that purpose this year.

Mr. LADNER: The question I asked was: Are there any other expansions?

Mr. MOTHERWELL: No, we have no more. I think my hon. friend's estimate of the amount is not quite correct. Our first estimate was $24,000.

Mr. LADNER: I beg to correct the minister on that. The actual expenditure out of last year's estimate acording to the Auditor General's report for cow testing was $41,915.14 —and if you add that—

Mr. MOTHERWELL: I think that was the year before.

Mr. LADNER: Certainly, that is exactly the point—the year before. The estimates of the year before and this year are exactly identical, $230,000. The minister informs the committee that the cow-testing appropriation is not included this year, that it is to be added to some other item; so that really this item has increased this year from $230,000 to $271,000, and if you take the Finch creamery which formed part of the $230,000 of last year, and add this year, you have your estimates increased from $230,000 to $287,000. That is what it comes down to. My point is this: if $28,000 is disclosed in the expenditure for the new factory in Quebec, what does the other expenditure consist of, or is there some other expenditure?

Mr. MOTHERWELL: I cannot follow the hon. gentleman's figuring, but I know we will use all this money before the end of the fiscal year in the activities I have mentioned, in connection with the Finch factory and other services. We did not do any cow testing last year under the dairy vote, so that my hon. friend's computation in regard to the $41,000 is quite wrong. There was nothing spent under this same vote of last year.

Mr. LADNER: Does the minister deny the authenticity of the Auditor General's report?

Mr. MOTHERWELL: That is two years ago.

Mr. SUTHERLAND: No, it was 1924.

Mr. MOTHERWELL: I do not know what the hon. member has before him. I know what I have here. There was no cow testing under this vote.

[Mr. Ladner.]

Mr. LADNER: What I want to know is whether, apart from this one expansion we have heard about, you will give us your word there is no other expansion.

Mr. MOTHERWELL: I have mentioned the three expansions; the bac-
11 p.m. teriological office here, the establishment of a new dairy station, and the additional graders.

Mr. SUTHERLAND: How much was paid out last year for bonuses to creameries.

Mr. MOTHERWELL: You mean bonuses to cold storages. There is a small bonus of $100 for the purpose of putting in creamery cold storages. I think the maximum is $100. The amount paid in 1924-25 was $2,700, for the purpose of supplying ice cold storage for temporary purposes.

Mr. SUTHERLAND: Could you inform the committee how much was paid out the year before?

Mr. MOTHERWELL: We have not got it just now.

Mr. SUTHERLAND: Where were the creameries located which received the bonuses last year? I do not mean the individuals but the number in each province which received the bonus.

Mr. MOTHERWELL: There was $2,700 provided. That would be $100 apiece for 27 creameries. They are distributed all over the country. If my hon. friend wants the exact location we will be able to get it for him. We have not got it now.

Mr. SUTHERLAND: It appears to me the minister is asking us to blindly vote a lot of this money without very much information. Now taking the last report available, the Auditor General's statement for the year ending March 31, 1924, I find $8,000 paid out in bonuses, and with the exception of $100 paid in Alberta, it was all paid in one province. This was the province of Quebec; and yet the minister is going to transfer the station from the province of Ontario and place it in the province of Quebec. Why does he not present to the committee a detailed statement as to what he intends to use this money for? Would it not be more satisfactory to inform the committee why he requires the money, instead of putting it under the head of dairying? We would know how much of it was going for the payment of officials, what they were supposed to be doing, and how much would be paid for bonuses and anything of that nature. As it is there is just a blank note of so many hundred thousand dollars

under the head of dairying and that is a very misleading word when it covers such a wide range of expenditures. We have $5,000 for bringing the members of the National Dairy Council here to Ottawa, several hundred dollars for entertaining them and expenses of this kind, and the minister says, "Oh, but we must expand." The appointment of officials apparently is his idea of expansion. If the minister would undertake to present a detailed statement before the committee as to what amount was intended for each branch of the department under the head of dairying it would facilitate matters very much, and I would suggest that the committee rise and that the minister present us with a report of that nature when the matter comes before the House again.

Mr. MOTHERWELL: The applicants for this bonus receive it when they comply with the conditions under which it is given. When the construction of a cold storage is made according to the specification the bonus of $100 is paid. A large number applied this year and some were held over because we were afraid our vote would be exhausted before the end of the year, but none of those who comply with the conditions are refused. Rather than run short of money eight or nine applications have been held over. They are the ones we naturally expect to give the bonus to next year. We expect there will be thirty-five in all, and that will clear up all the applications. No one is refused so long as he complies with the conditions.

Mr. SUTHERLAND: It is quite clear the minister had an estimate and he was afraid his estimate would be exhausted. Why not let the committee know what the estimate is? After he strikes an estimate as to what is required for these different branches under the head of dairying, why not inform the committee what the estimate is? It is apparent from the minister's last statement that he was afraid last year his estimate would be exceeded. The committee was not informed as to what the amount of that estimate was. Why should a committee of this House not know what the minister proposes to do with the money?

Mr. MOTHERWELL: I think the hon. gentleman has gone far enough in trying to make a case out of nothing. I have already indicated that $2,700 was spent last year on 27 of these cold storages and that we held over eight or nine applications. Either I have lost the faculty of explaining or my hon. friend has lost the faculty of understanding, because I have gone over the matter several times. The hon. gentleman seems to be magnifying things and is raising his voice simply to leave the impression that something is being withheld. There is no desire whatever to do anything of the kind.

Mr. SUTHERLAND: It seems difficult to understand what the minister means. It is quite evident that he has had an estimate for this work and was afraid it would be exceeded. What was his estimate for last year? He has told us the amount that was paid out and he says that nine or ten applications were held over. And the year before $8,000 was paid out. What was his estimate the year before? Why not present a detailed statement giving all the facts so that we may know where we are? It is only fair that this information should be supplied.

Mr. MOTHERWELL: I do not understand what the hon. member wants. We are discussing an estimate of $3,500 for 35 creameries at $100 each.

Mr. SUTHERLAND: Why could the minister not give that information before?

Mr. GRAHAM: He did half a dozen times.

Mr. SUTHERLAND: Why should we have to extort the information in this way?

Mr. GRAHAM: Since I came into the House seven minutes ago the minister has made the same explanation three times.

Mr. SUTHERLAND: I venture to say this matter has not been before the committee more than five minutes. According to the Minister of Railways (Mr. Graham) himself, it is only seven minutes ago since the matter was brought up.

Item agreed to.

Cold Storage Warehouses, $30,000.

Mr. WOODS: This is a small item for the cold storage facilities of this country. The organized farmers of Ontario at least are developing a co-operative market and a pooling system, and in order to carry out the enterprise successfully it is necessary to have adequate cold storage facilities. There are certain seasons of the year when there is over-production in butter and eggs and so forth, including fruit as well, and there are other seasons when there is a light production, not enough to satisfy the demand. At these times there is a scarcity, with the result that prices increase. In overcoming the difficulty cold storage facilities would prove of considerable advantage, and it would help to some extent to relieve the situation to which the hon. member for South Oxford (Mr. Sutherland) has referred, namely, the importation of eggs and butter of an inferior quality at

certain periods of the year. If we had suitable cold storage facilities to take care of our products and enable us to put them on the market as the demand occurred it would help the situation remarkably, and would level up not only prices during the whole year round, but the quality of the produce as well; that is to say, there would be a uniform quality. I believe it would be wise for the minister to go into the cold storage question more fully. While we are anxious to cut down expenses so far as we possibly can, there are many other items which in my opinion might better stand a reduction, with more beneficial results. But certainly we should encourage the establishment of cold storage facilities in the country.

Mr. SPENCE: Is it proposed this year to encourage the establishment of more cold storages by a system of bonusing up to a certain percentage, as in the past? Further, is it intended to retain the Montreal cold storage?

Mr. MOTHERWELL: The Montreal cold storage is under the harbour board. With regard to the remarks of my hon. friend (Mr. Woods), this is a small amount it is true, and during recent months applications have been more numerous than they were last year. But we hope to get along with this provision. The whole subsidy is not paid on any one plant in any year; it is distributed over four payments. We are now paying on the Sydney plant which was under construction four or five years ago in the town of Sydney. We are taking that over for the first time this year. There is also a small plant in Prince Edward Island and another in Quebec city, besides the one in Montreal. The two latter are co-operative activities; the one in Sydney is general. I should like to see a larger amount in the estimate, but I think we can get along with this vote by satisfying the needs of those places where assistance is most urgently required. So far as I know we have not turned down any applications, although in some places we considered the existing cold storages facilities adequate for local requirements, where the expenditure would not be justified. The applications have been increasing rapidly in the last few months, and unless we turn down some worthy ones I anticipate having to ask for more assistance another year.

Mr. MEIGHEN: Is nobody to-night going to point to this estimate as providing instruments of oppression of the masses? It is not very many years since this cold storage vote was denounced as only providing means for rich profiteers to withhold the food of the people from consumption. I do not hear any voices along that line now. Has there been any change of policy in connection with cold storage warehouses ?

Mr. MOTHERWELL: No. We tried to make a change but we could not get the bill through the upper chamber.

Mr. MEIGHEN: What was the change?

Mr. MOTHERWELL: We were trying to confine cold storage to co-operative activities.

Mr. MEIGHEN: Has the minister observed that cold storage warehouses are used as engines of oppression and profiteering?

Mr. MOTHERWELL: They have been charged with that, but I have not taken a great deal of stock in the charge. The cold storage activities I had in mind were those of men who were co-operating and giving service to their own members.

Mr. MEIGHEN: Surely the minister would not ask us to vote money to help him oppress the consuming masses!

Mr. MOTHERWELL: I do not think my right hon. friend takes much stock in that charge himself.

Mr. MEIGHEN: I never did. I was not guilty; I am calling it to the attention of those who were. The minister has not noticed that cold storage warehouses were used for that purpose at all?

Mr. MOTHERWELL: I think there was a great deal of exaggeration, and a great deal of wrong was done to those services by the charge he has referred to.

Mr. MEIGHEN: So do I.

Mr. MOTHERWELL: It is not heard very often to-day, due to the fact that the people begin to understand the question.

Mr. MEIGHEN: I hope the minister did not take part in that denunciation.

Mr. MOTHERWELL: No.

Mr. MEIGHEN: And I hope his remarks now will silence those who did.

Mr. MOTHERWELL: Thank you.

Item agreed to.

The CHAIRMAN: Item 49—

Mr. MEIGHEN: Are we going to sit here all night?

Progress reported.

On motion of Mr. Mackenzie King, the House adjourned at 11.20 p.m.

Wednesday, February 18, 1925

The House met at three o'clock.

SELECT STANDING COMMITTEES

Right Hon. W. L. MACKENZIE KING (Prime Minister) moved:

That the report of the special committee appointed to prepare and report with all convenient speed the lists of members to compose the select standing committees of this House during the present session, presented on the 17th instant, be concurred in.

Motion agreed to, and committees appointed as follows:

No. 1

ON PRIVILEGES AND ELECTIONS

Messieurs

Archambault,
Bristol,
Brown,
Bureau,
Cannon,
Copp,
Elliott (Waterloo),
Ethier,
Findlay,
German,
Gouin (Sir Lomer),
Guthrie,
Hammell,
Hanson,
Jacobs,
Johnston,
Kelly,
Kyte,
Lapointe,
Logan,
Macdonald (Pictou),
Macphail (Miss),
McMaster,
Morrison,
Ryckman,
Sexsmith,
Stewart (Leeds),
Stewart (Hamilton), and
Vien.—29.

No. 2

ON RAILWAYS, CANALS AND TELEGRAPH LINES

Messieurs

Anderson,
Archambault,
Arthurs,
Baxter,
Béland,
Binette,
Bird,
Black (Huron),
Boivin,
Bowen,
Boys,
Bristol,
Cahill,
Campbell,
Cannon,
Carroll,
Casgrain,
Charters,
Chevrier,
Chisholm,
Church,
Clifford,
Copp,
Crerar,
Davies,
Déchène,
Denis (Joliette),
Denis (St. Denis),
Desrochers,
Drayton (Sir Henry),
Drummond,
Ethier,
Euler,
Evans,
Fafard,
Fansher,
Finn,
Fiset (Sir Eugène),
Forke,
Fournier,
Gardiner,
Gendron,
Gordon,
Gould,
Graham,
Guthrie,
Halbert,
Hammell,
Hanna,
Healy,
Hocken,
Hodgins,
Hoey,
Hughes,
Humphrey,
Hushion,
Jelliff,
Johnston,
Kay,
Kellner,
Kennedy (Glengarry and Stormont),
Kennedy (Edmonton),
Knox,
Lanctôt,
Lapierre,
Lavigueur,
LeSueur,
Lewis,
Lovett,
Lovie,
Low,
Lucas,
Macdonald (Pictou),
Mackinnon,
MacLaren,
MacLean (Prince, P.E.I.),
Maclean (York),
McConica,
McCrea,
McDonald (Timiskaming),
McGiverin,
McIsaac,
McMurray,
McQuarrie,
McTaggart,
Manion,
Marcile (Bagot),
Marler,
Martell,
Maybee,
Mercier,
Mewburn,
Millar,
Michaud,
Milne,
Morrison,
Murdock,
Parent,
Pelletier,
Power,
Putnam,
Rankin,
Robinson,
Robitaille,
St. Père,
Savard,
Séguin,
Shaw,
Sheard,
Simpson,
Sinclair (Queen's, P.E.I.),
Snowball,
Speakman,
Spence,
Stansell,
Stevens,
Stewart (Argenteuil),
Stewart (Hamilton),
Stewart (Humboldt),
Stewart (Leeds),
Stork,
Sutherland,
Tobin,
Vien,
Wallace,
Ward,
Walsh,
White, and
Wilson.—128.

(Quorum 25)

No. 3

ON MISCELLANEOUS PRIVATE BILLS

Messieurs

Anderson,
Archambault,
Baldwin,
Bancroft,
Bird,
Boivin,
Bouchard,
Bourassa,
Bowen,
Boys,
Brethen,
Brown,
Bureau,
Chaplin,
Chew,
Clark,
Davies,
Denis (St. Denis),
Deslauriers,
Drummond,
Duff,
Ethier,
Findlay,
Fontaine,
Forrester,
Fortier,
Garland (Carleton),
Gendron,
Gould,
Hammell,
Harris,
Jones,
Kay,
Kellner,
Kennedy (Edmonton),
King (Huron),
Lewis,
Lucas,
Mackinnon,
MacLaren,
McBride,
McGiverin,
McKillop,
McMurray,
Marcil (Bonaventure),
Mercier,
Morin,
Ouimet,
Power,
Pritchard,
Putnam,
Raymond,
Reed,
Rhéaume,
Robitaille,
Séguin,
Senn,
Sinclair (Oxford),
Stirling,
Stork,
Thompson,
Tobin,
Wilson,
Woods, and
Woodsworth.—65.

(Quorum 10)

No. 4

ON STANDING ORDERS

Messieurs

Binette,
Black (Halifax),
Black (Huron),
Chaplin,
Chew,
Clifford,
Deslauriers,
Desrochers,

Doucet,
Duff,
Duncan,
Euler,
Evans,
Gervais,
Gould,
Harris,
Hodgins,
Hughes,
Kelly,
Lavigueur,
Leader,
LeSueur,
MacLaren,
Maclean (York),
McTaggart,
Mercier,
Guimet,
Parent,
Roberge,
Robichaud,
Ryckman,
Steedsman, and
Stewart (Leeds).—33.

(Quorum 7)

No. 5

ON PRINTING

(Members to act on the part of the Commons)

Messieurs

Baldwin,
Casgrain,
Charters,
Chevrier,
Coote,
Euler,
Fansher,
Hocken,
Humphrey,
Jones,
McConica,
Malcolm,
Marcil (Bonaventure),
Michaud,
Murdock,
Preston,
Prévost,
Raymond,
Rinfret,
Robichaud,
St. Père,
Stirling, and
Thurston.—23.

No. 6

ON PUBLIC ACCOUNTS

Messieurs

Archambault,
Beaubien,
Boys,
Brethen,
Bristol,
Cannon,
Cardin,
Carroll,
Casgrain,
Chisholm,
Clark,
Coote,
Crerar,
Drayton (Sir Henry),
Duff,
Elliott, (Dundas),
Finn,
Forke,
Gardiner,
German,
Good,
Hanson,
Hudson,
Humphrey,
Hushion,
Jacobs,
Kelly,
Kennedy (Edmonton),
King (Kootenay East),
Kyte,
Lapierre,
LeSueur,
Logan,
Lewis,
Macdonald (Pictou),
Mackinnon,
McCrea,
McGiverin,
McIsaac,
McMaster,
Manion,
Martell,
Meighen,
Mewburn,
Michaud,
Papineau,
Parent,
Pouliot,
Power,
Preston,
Rhéaume,
Ryckman,
Sheard,
Simpson,
Steedsman,
Stewart (Leeds),
Thurston,
Tobin,
Tolmie,
Vien,
Wallace, and
Ward.—62.

(Quorum 21)

No. 7

ON BANKING AND COMMERCE

Messieurs

Baxter,
Benoit,
Bird,
Black (Halifax),
Black (Yukon),
Boivin,
Bristol,
Cahill,
Caldwell,
Carmichael,
Carruthers,
Casgrain,
Chaplin,
Chevrier,
Clark,
Clifford,
Coote,
Crerar,
Desaulniers,
Descoteaux,
Drayton (Sir Henry),
Duncan,
Elliott (Dundas),
Elliott (Waterloo),
Euler,
Fafard,
Fielding,
Fiset (Sir Eugène),
Fortier,
Garland (Bow River),
German,
Good,
Grimmer,
Guthrie,
Hanson,
Harris,
Hatfield,
Healy,
Hodgins,
Hudson,
Hughes,
Hushion,
Irvine,
Jacobs,
Jones,
Kellner,
King (Huron),
Ladner,
Laflamme,
Low,
McBride,
Macdonald (Pictou),
Mackinnon,
Maclean (York),
Macphail (Miss),
McCrea,
McKay,
McMaster,
McMurray,
McQuarrie,
McTaggart,
Malcolm,
Marler,
Maybee,
Mewburn,
Millar,
Morin,
Papineau,
Power,
Rankin,
Rhéaume,
Robb,
Robichaud,
Robitaille,
Ryckman,
Steedsman,
St. Père,
Sales,
Senn,
Shaw,
Sinclair (Queen's, P.E.I.),
Sinclair (Oxford),
Speakman,
Spencer,
Stevens,
Stork,
Tobin,
Vien,
Ward,
Woods, and
Woodsworth.—91.

(Quorum 21)

No. 8

ON AGRICULTURE AND COLONIZATION

Messieurs

Anderson,
Arthurs,
Baldwin,
Benoit,
Boivin,
Boucher,
Bouchard,
Bourassa,
Bowen,
Brethen,
Brown,
Cahill,
Caldwell,
Campbell,
Cardin,
Carruthers,
Charters,
Chew,
Clifford,
Crerar,
Davies,
Déchêne,
Delisle,
Denis (Joliette),
Denis (St. Denis),
Desaulniers,
Descoteaux,
Desrochers,
Doucet,
Duncan,
Evans,
Fafard,
Fontaine,
Forke,
Forrester,
Fortier,
Fournier,
Garland (Carleton),
Gendron,
Gervais,
Gould,
Halbert,
Hanna,
Hatfield,
Hopkins,
Hubbs,
Hunt,
Jelliff,
Jones,
Kay,
Kennedy (Glengarry and Stormont),
Knox,
Laflamme,
Lanctôt,
Lapierre,

Leader,
Lovett,
Lovie,
Lucas,
MacLean (Prince, P.E.I.),
McConica,
McCrea,
McKay,
McKillop,
McMaster,
McMurray,
Malcolm,
Mercile (Bagot),
Maybee,
Millar,
Milne,
Morin,
Morrison,
Motherwell,
Munro,
Neill,
Ouimet,
Preston,
Pritchard,
Rankin,
Raymond,
Reed,
Roberge,
Robinson,
Ross (Simcoe),
Sales,
Savard,
Séguin,
Senn.
Sexsmith,
Simpson,
Sinclair (Queen's, P.E.I.),
Sinclair (Oxford),
Spence,
Stansell,
Stewart (Argenteuil),
Stewart (Humboldt),
Stirling,
Sutherland,
Thompson,
Thurston,
Tobin,
Tolmie,
Warner, and
White.—105.

(Quorum 12)

No. 9

ON MARINE AND FISHERIES

Messieurs

Bancroft,
Campbell,
Cardin,
Chisholm,
Delisle,
Dickie,
Doucet,
Duff,
Elliott (Dundas),
Fournier,
Grimmer,
Hatfield,
Hoey,
Hubbs,
Hughes,
Kennedy (Port Arthur and Kenora),
Lapointe,
Ladner,
MacLaren,
MacLean (Prince, P.E.I.),
McIsaac,
McQuarrie,
Martell,
Munro,
Neill,
Pelletier,
Pouliot,
Putnam,
Robichaud,
Ross (Simcoe),
Savard,
Snowball,
Spencer,
Stansell,
Stevens,
Stewart (Humboldt), and
Stork.—37.

(Quorum 10)

No. 10

ON MINES, FORESTS AND WATERS

Messieurs

Arthurs,
Bird,
Black (Yukon),
Boucher,
Carroll,
Carruthers,
Church,
Davies,
Déchêne,
Desaulniers,
Dickie,
Fiset (Sir Eugène),
Forrester,
Garland (Bow River),
Gendron,
Hanson,
Hunt,
Kelly,
Kennedy (Kenora),
Knox,
Lanctôt,
Lapierre,
Logan,
Macphail (Miss),
Manion,
McBride,
Michaud,
Munro,
Pelletier,
Power,
Roberge,
Ross (Kingston),
Spence,
Stewart (Argenteuil),
Stork,
Ward, and
Warner.—37.

(Quorum 10)

No. 11

ON INDUSTRIAL AND INTERNATIONAL RELATIONS

Messieurs

Black (Halifax),
Cahill,
Caldwell,
Cannon,
Carroll,
Denis (Joliette),
Deslauriers,
Drummond,
Finn,
Gervais,
Graham,
Grimmer,
Guthrie,
Halbert,
Healy,
Hoey,
Johnston,
Kennedy (Edmonton),
Ladner,
Lapointe,
Macdonald (Pictou),
Malcolm,
Marcil (Bonaventure),
Marler,
McDonald (Timiskaming),
McKillop,
McTaggart,
Morin,
Murdock,
Prévost,
Rinfret,
Stewart (Hamilton),
Tolmie,
White, and
Woodsworth.—35.

(Quorum 10)

No. 12

OFFICIAL REPORT OF DEBATES

Messieurs

Boivin,
Ethier,
Fansher,
Gardiner,
Garland (Bow River),
Hocken,
McGiverin,
Marcil (Bonaventure),
Preston,
Prévost,
Rinfret,
Robinson, and
Ross (Kingston).—13.

(Quorum 5)

No. 13

ON THE LIBRARY

(Members to act on the part of the Commons)

Mr. Speaker and Messieurs

Beaubien,
Béland,
Carmichael,
Deslauriers,
Euler,
Garland (Carleton),
Good,
Gouin (Sir Lomer),
Hopkins,
King, Mackenzie (York),
Lapointe,
Lovett,
Meighen,
Pouliot,
Pritchard,
Robinson,
Ross (Kingston),
Sheard,
Sinclair (Oxford),
Steedsman, and
Walsh.—22.

POWERS OF COMMITTEES

Mr. MACKENZIE KING moved:

That the select standing committees of this House shall severally be empowered to examine and inquire into all such matters and things as may be referred to them by the House, and to report from time to time their observations and opinions thereon, with power to send for persons, papers and records.

Motion agreed to.

REPORT

Report of the Royal Canadian Mounted Police for the year ended September 30, 1924. —Hon. Mr. Lapointe.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

CANADIAN GOVERNMENT MERCHANT MARINE

Mr. MacLAREN:

1. What ships of the Canadian Government Merchant Marine were employed in carrying freight from New London, Connecticut, overseas in 1924?

2. What is the record of shipments, in carload quantities, of freight so carried, originating in Canada?

Mr. GRAHAM:

1. Canadian Pioneer; Canadian Spinner; Canadian Challenger; Canadian Explorer; one voyage each.

2.

Automobiles	233	carloads
Iron and steel	4	"
Paper	5	"
Lumber	1	"
Rubber goods	2	"
Machinery	1	"
Miscellaneous	2	"

UNEMPLOYMENT RELIEF

Mr. SUTHERLAND:

1. What amount, if any, was paid out of the federal treasury for unemployment relief during each of the years ending March 31, 1923 and 1924?

2. What amount was paid out during the said period in connection with the Department of Labour under the heading of Civil Government?

3. What amount was paid out for the same periods for travelling expenses and disbursements of the Minister of Labour?

4. How many delegates attended the conferences of Unemployment which assembled in Ottawa during each of the years referred to?

Hon. Mr. COPP:

Department of Labour—

1. 1922-23: $924,877.72; 1923-24: $4,273.83.

2.

	1922-23	1923-24
(a) Salaries	$ 202,090 75	$ 164,551 87
(b) Contingencies	22,220 32	23,198 75
	$ 224,311 07	$ 187,750 62

3. 1922-23: See return July 3, 1924, presented by Mr. Copp, showing all ministers' travelling expenses from April 1, 1919; 1923-24: $1,670.

4. 1922-23: Two representatives of federal government; sixteen provincial delegates; there were also in attendance municipal and other representatives to the number of seventeen; 1923-24: No conference.

Department Soldiers' Civil Re-establishment—

1. 1922-3, $1,038,163.35; 1923-4, $312,008.98.

2. 3 & 4. No information.

DEPARTMENT OF AGRICULTURE—EMPLOYEES

Mr. SUTHERLAND:

1. What were the total number of employees, and the total salaries paid such employees on January 1, 1922, and 1925, in the following branches of the Department of Agriculture, giving the total number of employees and salaries for each branch, viz.: civil government, both permanent and temporary; agricultural instruction; entomology; dairy general; cow testing; Finch creamery; extension of markets; destructive insect and pest; production and sale of tobacco; fruit industry; contagious diseases; meat and canned foods division; live stock industry; seed control?

2. Has there been one or more new branches added to the Department of Agriculture since January 1, 1922?

3. If so, what are the names of same, and what number of employees are in each branch or branches so established, in detail, same as question No. 1?

Hon. Mr. MOTHERWELL:

1.

	January, 1922		January, 1925	
	No. of Employees	Salary	No. of Employees	Salary
a. Civil Government, Permanent	343	$45,329 00	384	$55,557 91
Temporary	38	2,316 00	35	2,467 87
b. Agricultural Instruction Act	1	185 00	–	–
c. Entomology	–	–	–	–
d. Dairy, General	10	1,228 00	35	6,020 27
e. Cow Testing	6	740 00	–	–
f. Finch Creamery	2	215 00	–	–
g. Extension of Markets	11	1,330 00	13	2,116 50
h. Destructive Insect and Pest Act	61	8,265 00	88	11,967 73
i. Production and Sale of Tobacco	6	785 00	9	1,490 00
j. Fruit Industry	45	5,965 00	70	8,672 57
k. Animal Contagious Diseases	184	25,597 00	227	34,205 58
l. Meat and Canned Foods	269	37,826 00	244	38,211 97
m. Live Stock Industry	148	19,859 00	204	28,842 26
n. Seed Control	55	6,703 00	81	9,853 69

2. Yes.

3. Agricultural marketing agent in Great Britain, one employee; salary, January, 1925, $420.

Note:

(1) "Cow Testing" which, in 1922 was under the Dairy and Cold Storage branch, was transferred to Live Stock in April, 1924, and expenditures in this connection for January, 1925, are therefore included under Live Stock Industry.

(2) Salaries for entomology are paid from Civil Government.

CANADIAN EXPEDITIONARY FORCE—PENSIONS

Mr. ARTHURS:

1. How many members of the Canadian Expeditionary Force were pensioners in December 1921, (a) in Canada; (b) in United States of America; (c) in Great Britain?

2. As above classified what were the numbers for December 1924?

Hon. Mr. BELAND:

1. The date nearest to December 31, 1921, at which the desired information is available is March 31, 1922:

(a) Pensioners, March 31, 1922

	Pensioned for Disabilities ex-members of C.E.F.	Pensioned as Dependents	Total Pensioners
Canada	37,697	13,855	51,552
U.S.A.	2,737	1,198	3,935
Brit. Isles	2,821	4,527	7,348
Elsewhere	364	252	616
Total	43,619	19,832	63,451

(b) Pensioners, December 31, 1924

Canada	36,937	13,809	50,746
U.S.A.	3,992	1,439	5,431
Brit. Isles	2,822	4,470	7,292
Elsewhere	318	281	599
Total	44,069	19,999	64,068

*JAPANESE IMMIGRATION

Mr. NEILL:

Is the government in a position to bring down any further correspondence, or to make an announcement of the result of any negotiations carried on with the Japanese authorities as to further restrictions on Japanese Immigration referred to by the Premier in debate in this House on July 11, 1924?

Right Hon. Mr. MACKENZIE KING: Mr. Speaker, the government has no further correspondence to bring down at the present time, and no announcement to make.

*INSECTICIDE AND GERMICIDE DUSTS

Mr. ROBINSON:

Is it the intention of the government during the present session, to introduce legislation controlling the ingredients, and the percentage of such ingredients, used in the manufacture and mixing of "dusts" for insecticides and germicides, as used in orchard culture?

Hon. Mr. MOTHERWELL: The introduction of a bill providing for the control of the composition, manufacture and sale of insecticides and fungicides is now under consideration.

"CANADA IS COMING THROUGH"—COST

Hon. Mr. MANION:

What has been the cost to the treasury to date of printing and publishing the advertisement "Canada is Coming Through" and what is the estimate of outstanding accounts?

Hon. Mr. LOW:

Up to date no accounts for printing and publishing the advertisement "Canada is Coming Through" have been paid. The total of the unpaid accounts amounts to $2,893.82. No accounts are outstanding.

PULPWOOD COMMISSION

Hon. Mr. MANION:

What was the total cost to the country of the Pulpwood Commission?

Hon. Mr. ROBB:

$75,672.51.

GRAIN INQUIRY COMMISSION

Hon. Mr. MANION:

What has been the cost to date of the Grain Inquiry Commission which has just reported and what is the estimate of outstanding accounts?

Hon. Mr. LOW:

Expenditure:—

June 30, 1923, to March 31, 1924	$ 107,612 01
April 1, 1924, to February 5, 1925	59,994 88
Total	$ 167,606 89

Estimate of Outstanding Accounts:—

Accounts in department	$ 2,097 07
Accounts not yet received	3 93
Total	$ 2,101 00

LUMBER PRODUCTS—EXPORTS

Mr. CLARK:

1. What quantity of logs was exported from the Dominion of Canada during the years 1922, 1923 and 1924?

2. From what provinces did the above mentioned logs originate, and in what quantities?

3. What quantity of pulpwood was exported from the Dominion of Canada during the years 1922, 1923 and 1924?

4. From what provinces did the above mentioned pulpwood originate, and in what quantities.

5. What quantity of manufactured pulp products was exported from the Dominion of Canada during the years 1922, 1923 and 1924.

6. What quantity of pulpwood was used in the manufacture of the last mentioned articles during the years 1922, 1923 and 1924?

7. What where the values of the products referred to in above paragraphs 1, 2, 3, 4, 5 and 6?

8. What quantity of lumber was exported from the Dominion of Canada during the years 1922, 1923 and 1924?

9. From what provinces did the above mentioned lumber originate, and in what quantities?

10. What were the values of the lumber exports referred to in above paragraphs 8 and 9?

Hon. Mr. LOW:

1. Exports of logs (Canadian produce) from Canada—

Fiscal years— ended March 31	Quantity M. Ft.	Value $
1922	156,911	2,766,561
1923	199,289	3,665,670
1924	329,182	6,090,958

2. Information not available.

3. Exports of pulpwood (Canadian produce) from Canada—

Fiscal years— ended March 31	Quantity Cord	Value $
1922	825,967	9,879,150
1923	1,096,462	10,755,655
1924	1,444,693	14,322,714

4. Information not available.

5. Exports of Wood Pulp (Canadian produce) from Canada—

Fiscal years— ended March 31	Quantity Cwt.	Value $
1922	12,435,237	35,924,877
1923	16,988,823	42,976,948
1924	17,306,981	46,173,796

6. Pulpwood used in Canadian mills—

Calendar years	Quantity Cords	Value $
1921	2,180,578	38,283,262
1922	2,912,608	40,375,599
1923	3,270,433	43,594,592
1924	Information not available	

7. Answered by Nos. 1, 2, 3, 4, 5 and 6.

8. Exports of Lumber (Canadian produce) from Canada—

Fiscal years— ended March 31	Quantity	Value $
1922		
Planks and boards	M. ft. 1,158,630	39,012,295
Timber, square	M. ft. 59,154	1,651,175
Laths	M. 971,070	6,092,657
Pickets	M. 22,860	263,114
Shingles	M. 2,231,904	7,632,418
Shooks	—	602,740
Veneers and plywood	—	66,340
Other lumber	—	409,473
1923		
Planks and boards	M. ft. 2,199,133	64,020,422
Timber, square	M. ft. 62,022	1,659,439
Laths	M. 1,401,297	8,313,267
Pickets	M. 48,984	524,910
Shingles	M. 2,622,035	10,528,319
Shooks	—	543,309
Veneers and plywood	—	219,464
Other lumber	—	407,070
1924		
Planks and boards	M. ft. 2,349,853	76,043,496
Timber, square	M. ft. 179,987	5,074,631
Laths	M. 1,611,923	9,836,960
Pickets	M. 51,346	518,032
Shingles	M. 2,519,734	9,206,873
Shooks	—	677,433
Veneers and plywood	—	529,080
Other lumber	—	333,473

9. Information not available.

10. Answered in 8 and 9.

CANADIAN NATIONAL RAILWAYS—ROLLING STOCK

Mr. ROSS (Kingston):

1. How many engines were built for Canadian National Railways in 1924?

2. Where were these engines built?

3. How many coaches, parlor cars and buffet parlor coaches were built for the Canadian National Railways in 1924?

4. Where were these built?

5. How many mail and express cars, baggage cars, cabooses, box cars, ballast cars, general service cars were built for Canadian National Railways in 1924?

6. Where were these built?

Hon. Mr. GRAHAM:

1. 90.

2. Kingston, Ont., Montreal, Que., Schenectady, N.Y.

3. 50.

4. Montreal, Que.

5. 1,742.

6. Montreal, Que; Hamilton, Ont.; Amherst, N.S., New Glasgow, N.S.

CANADIAN NATIONAL RAILWAYS—RESULTS OF OPERATION

Sir HENRY DRAYTON:

What were the results of the operations of the Canadian National system and affiliated companies in 1924 in:— (a) Atlantic region; (b) Central region; (c) Grand Trunk Western lines (in United States); (d) Western region?

Hon. Mr. GRAHAM:

(a) Deficit of $3,545,004.24.

(b) Net revenue of $16,433,446.96.

(c) Net revenue of $5,710,667.77.

(d) Deficit of $1,124,353.49.

WHEAT EXPORTS

Mr. COOTE:

How many bushels of each grade of wheat were exported from Canada to the United States during the fiscal years 1921, 1922, 1923, 1924?

Hon. Mr. CARDIN (for the Minister of Customs):

Exports of Canadian Wheat to the United States During the Fiscal Years Specified:

Fiscal year	Bushels
1921	42,324,894
1922	16,592,797
1923	16,213,629
1924	21,228,507

No records are available in this department of the separate amounts of different grades of wheat comprised in the above exports.

BOOT AND SHOE PRODUCTS

Mr. PREVOST:

1. How many boot and shoe factories were there, in Canada, in the years 1914, 1918, 1919, 1920, 1921, 1922, 1923 and 1924, respectively?
2. What was the value of goods produced by these factories during each of the above years?
3. What was the total amount of imports from England of said commodity during above years?
4. What was the total amount exported from Canada during said years?
5. What was the total amount of leather imported into Canada and destined to the manufacture of boots and shoes for the years 1920, 1921, 1922, 1923 and 1924, respectively?
6. What was the total amount paid in custom duty on said importations?
7. What amount does the decrease of 5 to 2½ per cent of the sale tax on boots and shoes represent up to January, 1925?
8. What was the duty of the preferential tariff on boots and shoes in 1911, 1914, 1918, 1920, 1921, 1922, 1923 and 1924?

Hon. Mr. LOW:

1 and 2.—Boot and shoe factories in Canada.—

Year	No.	Value of Product
1914	Not available	No census taken
1918	161	$ 46,387,655
1919	161	63,579,035
1920	173	66,817,174
1921	177	44,665,381
1922	181	45,503,858
1923	186	45,596,012
1924	Information not yet collected	

3. IMPORTS OF BOOTS AND SHOES FROM THE UNITED KINGDOM. (Fiscal years)

Classification		1914	1918	1919	1920	1921	1922	1923	1924
Boots and shoes, pegged or wire fastened, with unstitched soles, close edged	Pair	.....	.....	.....	.....	.....	.....	2,346	2,701
	$	83,474	1,603	445	4,211	2,133	2,867	4,291	5,514
Boots and shoes, slippers and insoles of leather, n.o.p.	$	577,291	146,784	78,994	94,009	358,451	335,761	.....	.....
Boots, shoes and slippers with leather uppers, n.o.p., men's (sizes 5½ and up)	Pair	.....	.....	.....	.....	.....	.....	77,509	168,168
	$	.....	.....	.....	.....	.....	.....	304,105	540,110
Boots, shoes and slippers with leather uppers, n.o.p., women's (sizes 2½ and up)	Pair	.....	.....	.....	.....	.....	.....	21,532	61,967
	$	.....	.....	.....	.....	.....	.....	83,849	138,100
Boots, shoes and slippers with leather uppers, n.o.p., children's (all other sizes)	Pair	.....	.....	.....	.....	.....	.....	17,887	35,645
	$	.....	.....	.....	.....	.....	.....	22,319	29,139
Boots, shoes, slippers and insoles of all kinds, except rubber and leather	$	209,630	102,972	50,681	71,470	206,406	46,035	.....	.....
Boots and shoes with canvas uppers	Pair	.....	.....	.....	.....	.....	.....	3,915	11,527
	$	.....	.....	.....	.....	.....	.....	4,460	13,965
Boots and shoes with felt uppers	Pair	.....	.....	.....	.....	.....	.....	56,727	125,559
	$	.....	.....	.....	.....	.....	.....	37,068	82,920
Boots and shoes of all kinds except canvas, felt, rubber and leather	$	.....	.....	.....	.....	.....	.....	27,769	43,187
Insoles of all kinds	$	.....	.....	.....	.....	.....	.....	4,110	2,346

4. EXPORTS OF BOOTS AND SHOES (CANADIAN PRODUCE) FROM CANADA. (Fiscal years)

——		1914	1918	1919	1920	1921	1922	1923	1924
Boots and shoes of leather	Pair	.....	.....	.....	.....	.....	.....	47,828	107,968
	$	82,529	905,087	1,130,334	5,679,720	1,441,338	272,346	130,034	304,913

5 AND 6.—IMPORTS OF LEATHER INTO CANADA FOR ALL PURPOSES WITH DUTY COLLECTED (FISCAL YEARS)

Classification	1920		1921		1922		1923		1924	
	Imports	Duty Collected	Imports	Duty Collected	Imports	Duty Collected	Imports	Duty Collected	Imports	Duty Collected
	$	$	$	$	$	$	$	$	$	$
Belting leather	251,044	31,561	469,331	51,191	185,636	20,343	188,110	21,617	271,586	31,473
Calf, kid or goat, lamb and sheep skins, tanned	457,407	67,980	274,965	40,900	151,167	22,474	122,775	18,308	102,008	14,961
Calf, kid or goat, lamb and sheep skins, dressed, waxed or glazed	5,956,753	891,391	1,799,308	266,168	1,731,605	258,306	1,120,850	166,112	1,074,496	159,034
Glove leathers, tanned or dressed, coloured or uncoloured, imported by glove manufacturers for use exclusively in their own factories in the manufacture of gloves	2,099,797	209,074	2,068,913	202,149	711,872	70,646	926,470	91,442	1,151,390	115,093
Harness leather	54,342	8,106	69,023	9,956	21,263	3,080	30,297	4,401	21,252	3,031
Japanned, patent or enamelled leather and Morocco leather, and leather in imitation of Morocco leather	41,122	10,258	34,832	8,153	19,510	4,650	32,008	7,721	28,149	6,774
Skins for Morocco leather, tanned, but not further manufactured	12,986	1,941	12,589	1,756	1,418	188	207	31	13,572	2,036
Sole leather	767,861	133,799	234,872	40,220	262,026	43,864	125,393	21,515	167,383	28,240
Tanners' scrap leather	43,390	6,508	19,638	2,946	20,154	3,022	21,715	3,257	24,908	3,736
Upper leather, not dressed, waxed or glazed	82,941	12,371	51,048	7,657	63,832	9,503	63,811	9,538	30,024	4,470
Upper leather, including dongola, cordovan, kangaroo, alligator, and all upper leather, dressed, waxed or glazed, or further finished than tanned, n.o.p., and chamois skins	1,811,402	264,045	868,298	122,029	603,138	86,757	759,319	104,963	782,012	107,541
All other leather, dressed, waxed or glazed, etc., n.o.p	500,256	73,015	210,667	30,184	272,114	39,545	267,396	38,872	306,748	44,481
All other leather and skins, n.o.p	492,895	68,571	243,468	34,128	144,303	20,710	164,235	23,920	197,100	28,601

7 and 8.—These questions will be answered by the Minister of Customs and Excise.

DOMINION NOTE CIRCULATION

Mr. SPENCER:

1. During each of the years 1923 and 1924, what was the average amount of (a) Dominion notes, and (b) bank notes, in circulation?

2. Of the Dominion notes what was the average amount of each denomination in circulation?

Hon. Mr. ROBB:

1. (a) The monthly average of Dominion notes in circulation in 1923 was $240,862,014.40, in 1924, $226,002,627.55.

(b) The monthly average of bank notes in circulation in 1923 was $170,420,792, in 1924, $166,136,764.

2. The average amount of each denomination of Dominion notes in circulation:

	1923	1924
Provincial.. ..	27,699 33	27,690 28
Fractional.. ..	1,270,812 16	1,282,082 10
$ 1 00 ..	16,876,095 00	17,160,537 17
2 00 ..	12,507,565 92	12,422,802 08
4 00 ..	35,555 33	34,736 33
5 00 ..	2,672,578 33	3,404,329 59
50 00 ..	3,166 67	283 33
500 00 ..	2,818,375 00	2,012,750 00
1,000 00 ..	5,608,250 00	3,944,416 67
Bank Specials		
$ 500 00 ..	1,416 67	
1,000 00 ..	936,750 00	747,166 67
5,000 00 ..	120,549,583 33	51,745,000 00
50,000 00 ..	77,554,166 66	133,220,833 33

IMPORTS OF POTATOES

Mr. DOUCET:

1. How many car loads of potatoes were imported from the United States between January 1 and December 31, 1924?

2. How many between January 1, 1925, and February 10, 1925?

Hon. Mr. CARDIN (for the Minister of Customs):

1. January 1 to December 31, 1924, 56,375,173 pounds.

2. January 1 to February 10, 1925, 3,015,742 pounds.

PAYMENTS TO NEW BRUNSWICK UNDER HIGHWAYS ACT

Mr. DOUCET:

What were the total amounts paid to the government of New Brunswick, since January 1, 1912, by virtue of the Highways Act?

Hon. Mr. GRAHAM:

The following amounts have been paid to the province of New Brunswick under authority of the Canada Highways Act:

Fiscal year 1921-22.....	$ 438,303 74
1922-23.....	371,973 01
1923-24.....	297,202 60
1924-25.....	56,365 65
Total payment	$1,163,845 00

SOLDIER SETTLEMENT

Mr. BANCROFT:

1. Is it the intention of the government to enact in legislation the report of the special committee on Soldier's Land Settlement, which was accepted by parliament last session?

2. Will the committee be reappointed this session to further consider the question of revaluation of lands in districts where it has been shown that the original sale price was too high?

Hon Mr. ROBB:

1. The matter is now under consideration.

2. Answered by No. 1.

QUESTION PASSED AS ORDER FOR RETURN

MAILS—PAYMENTS TO RAILWAYS

Mr. STEWART (Humboldt):

1. What principal changes in the routing of mail traffic have been made in the past twelve months?

2. What has been the total amount paid to (a) the Canadian Pacific Railway, and (b) to the Canadian National Railways for carriage of mails for the last six months?

UNOPPOSED MOTIONS FOR PAPERS

AMERICAN BRANCH FACTORIES IN CANADA

Hon. Mr. STEVENS:

For a copy of all correspondence between the Chamber of Commerce at Petrolia, Ontario, and the Department of Trade and Commerce, with regard to American branch factories in Canada.

SINGAPORE MILITARY BASE

On the motion of Mr. Prevost:

For a copy of all correspondence, letters, telegrams and other documents exchanged between the government of Canada and that of Great Britain or other self governing dominion in connection with a military base at Singapore.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Since the return laid on the table of this House on May 6, 1924, there has been no correspondence on this subject that I am aware of. There may be confidential memoranda which have come from the British government, but these, I assume, the British government would not wish to have disclosed.

Mr. SPEAKER: Dropped.

BRITISH NORTH AMERICA ACT

PROPOSED CHANGE IN METHOD OF MAKING AMENDMENTS

Mr. W. F. MACLEAN (South York) moved:

That an humble address be presented to His Most Excellent Majesty the King, in the following words:—

We, Your Majesty's most dutiful and loyal subjects, the ( ) House of Commons of Canada, in parliament assembled, humbly approach Your Majesty, praying that you may graciously be pleased to give your consent to submit a measure to the Parliament of the United Kingdom to amend the British North America Act, 1867, in the manner following, or to the following effect:—

"An Act to amend the British North America Act, 1867.

"Be it enacted by the King's Most Excellent Majesty, by and with the advice and consent of the Lords, Spiritual and Temporal, and the Commons, in this present parliament assembled, and by the authority of same as follows:

"1. This Act may be cited as the British North America Act, 1925.

"2. The parliament of the Dominion may amend the said British North America Act when it may see fit to do so, but it is not empowered to pass any amendment affecting the rights guaranteed in said act to minorities.

"3. The proposed law for the alteration of the said act must be passed by an absolute majority of each house of parliament."

All of which we humbly pray Your Majesty to take into your favourable and gracious consideration.

He said: Mr. Speaker, in the debate on the Address I took occasion to deal with a matter in which I think Canada has a vital interest, concerning, as it does, the constitution of this country and the rights of the people and parliament. My reason for directing the attention of the House to the subject was the judgment which had been delivered a few days previously by the Judicial Committee of the Privy Council in England, in connection with the Industrial Disputes Investigation Act. The constitutionality of that act was questioned before that committee and the act was declared by the committee to be ultra vires of the powers of the Dominion parliament. That seemed to me an invasion of what I regard as the rights of Canada; or, if it was not an invasion of those rights, it was at least of such a character as to make us realize that the time has arrived when we in this parliament should go into the question of our constitution and the question of our rights and determine whether we should longer remain subject to the decision of a court in the creation of which we had no voice.

The Judicial Committee of the Privy Council is a body of the highest legal standing. We all respect it; we have no objection to its findings; I believe its finding in this case was right in law. But to my mind such decisions are not in the interests of the development of this country in a constitutional way. I am confident that this parliament has only to ask that some kind of relief be afforded and the request will be granted, thus placing the interpretation of the constitution of Canada within our own country rather than outside of it.

Now, the only constitution we have for Canada is the document which I hold in my hand, the British North America Act. This copy is the official copy printed by parliament —I got it from the Senate—of "The British North America Acts, 1867-1907," and I contend that any change in or improvement of the constitution of Canada must be by way

of amendment to these acts, and that the place to make those amendments is in this parliament. I go further and say that it is the duty of this parliament to cause that constitution to be amended so that the same rights may be conceded to us as have been granted by the Imperial parliament to Australia, in large measure to South Africa, and finally to Ireland. If you examine these constitutions which have been created since the passing of these British North America Acts you will find that they widen as they go down. I was surprised to find upon investigation that in the case of the Irish Free State, the last one created, the constitution is wider than any of the others and there is the least interference. A little later I will deal with that matter more specifically and perhaps throw a little light upon it.

I am not a lawyer; I am only a lay member of this House, but I have watched the proceedings of the House and the sentiment of the people throughout the country and I can see that there is a growing feeling in the minds of the people that the time has come when we ought to have what Australia has, what South Africa has, what the Free State of south Ireland has—the right to make our own constitution; to amend it and to have it interpreted in our own courts. We shall then be in a position in this parliament and in the provincial parliaments to adjust the law so as to suit the interpretation made by our own courts.

Mr. MARTELL: My hon. friend has said that the judgment of the Judicial Committee of the Privy Council in the Industrial Disputes Investigation Act case was correct. Supposing we had followed the decision of the Ontario court in that case, which was absolutely to the contrary effect, we would then not have had right law in this country.

Mr. MACLEAN (York): That may be so. I want to stop this conflict of jurisdiction; I want a real settlement for the constitution of this country. After fifty-seven years' experience with the British North America Act, I think it is time that the Canadian people had what the British parliament has, what South Africa has, and most of all what Australia has, the right to make our own constitution and amend it, and have it interpreted by our own courts, and to have the final decision with them.

Mr. ARCHAMBAULT: May I ask the hon. member if the constitution of Australia or South Africa is, like the British North America Act, the result of a contract between different provinces?

Mr. MACLEAN: (York): They are all cases of federations, except Ireland, and we know something about federations in this country; we have had experience with a federation. Our great neighbour to the south of us, the United States, is also a federation, and my contention is that the construction of such constitutions can be accomplished better in the country that is a federation than in the Mother Country. That being the case, I think I shall be able to show a little later on why we should be granted this relief.

I have approached the question in my amendment in the fairest possible way. I have observed the regular method of procedure. The amendment has respect in every word of it for His Majesty the King and for the Imperial parliament, and most of all it conserves and protects the rights of minorities guaranteed by our constitution. So I think it is a very reasonable amendment. What I propose is:

"An Act to amend the British North America Act, 1867.

"Be it enacted by the King's Most Excellent Majesty, by and with the advice and consent of the Lords, Spiritual and Temporal, and the Commons, in this present parliament assembled, and by the authority of same as follows:

"1. This act may be cited as the British North America Act, 1925.

"2. The parliament of the Dominion may amend the said British North America Act when it may see fit to do so, but it is not empowered to pass any amendment affecting the rights guaranteed in said act to minorities.

"3. The proposed law for the alteration of the said act must be passed by an absolute majority of each house of parliament."

All of which we humbly pray Your Majesty to take into your favourable and gracious consideration.

Mr. FORKE: What does the hon. member mean by an absolute majority?

Mr. MACLEAN (York): I will come to that in a moment. I have put that in a very simple way. I maintain that no one is so competent to deal with the federation as we Canadians are, and as the other countries are that are united in a system of federation. While I have every respect for the Old Country and for the judges of the Old Country, they have not quite the experience that we have of the system of federation for the government of a country. It is true they have had a good deal to do with federations since they have been established here and in the other dominions, but they have not got to deal with these questions that are vital to us and that are coming up every day. There is a dispute now between the federal and provincial powers in this country, as there is in Australia, and the same is the case in the United States. The result in the United States is that they have created one of the greatest courts in the world for the interpretation of federation law. Theirs is a federation; so is ours, so is Australia's so is South Africa's, and so will be others, for others are to come. As I said, the United States has had wide experience. We are getting wide experience, and the British parliament has not had that experience with federations so far that would qualify it to be the final interpreter of their constitutions. The British parliament is concerned with the United Kingdom of Great Britain and Ireland. It is concerned with one great island, England, Scotland and Wales, and with a small portion of the north of Ireland. That great island is governed by a parliament which has absolute power. There is no parliament in the world that has the absolute, full and free power that the parliament of Great Britain has. As I pointed out to this House the other day, they can by a single act change the succession to the crown, repeal Magna Charta, and disestablish the English Church; they can do all that by one single act of parliament. We have a different arrangement here. We are not as free as they are. We are more or less governed by this system of federation. We have a federation and we cannot get away from it, and so we must have a constitution applying to a federation. We must have it interpreted in Canada, and I believe that our Supreme court is fitted to become the final authority to decide cases in dispute as between the federal and provincial powers.

Just to show what the difference is between the two systems, and what has taken place, what concessions have been made to the other dominions, I am going to read from the latest deliverance that has been made on this matter. I have here The Constitution, Administration and Laws of the Empire by A. Berriedale Keith, D.C.L., of the Inner Temple, barrister-at-law, and of the Scottish bar, Regius Professor of Sanskrit and Comparative Philology at the university of Edinburgh, formerly of the Colonial Office, author of Responsible Government in the Dominions, and so forth. Professor Keith is the latest authority on this question, and his book, which I now have in my hand, is dated one year ago to-day less two days. This book was published in London just about one year ago to-day, and it is the latest deliverance on the subject. I am going to read a short extract which helps a lot to clear the situation. On page 22 of this book, in dealing with colonial legislatures, he says:

The existing restrictions on constitutional change differ greatly in various parts of the Empire. In Canada the provinces enjoy freedom in great measure, but only within the limited sphere of their own powers under the British North America Act; they cannot alter the division of powers between them and the Dominion, nor can they affect the office of Lieutenant-Governor as the executive link between them and the Dominion. The Dominion, on the other hand, has extremely limited powers, because the federation was a compact between the provinces, and it is held to be illegitimate for the federal parliament to change the terms of that compact, unless with general assent from the provinces. Imperial acts were therefore necessary in 1907 to alter the amounts of the provincial subsidies, in 1915 to readjust the representation of the provinces in the Senate, and in 1916 to extend the duration of parliament by a year. The desire of the Dominion to obtain wider constituent powers is natural but no agreement on the subject exists with the provinces, as Quebec fears that any change might lessen the security for the equal treatment of the French language in federal proceedings, and the position of the Roman Catholic Church.

Next he deals with Australia:

The Commonwealth of Australia has the widest constituent powers, to be exercised by absolute majorities in both houses of parliament, approved by a referendum of the electors—

There is where the leader of the Progressive party gets his answer. There must be an absolute majority of both the houses in Australia to effect the changes in the constitution.

Mr. MARTELL: Is not that provided for in the Australian constitution?

Mr. MACLEAN (York): Yes, I know, but let me finish the quotation:

—but one house may secure at the discretion of the Governor General a referendum by passing a bill for a change twice, an interval of three months intervening. There arises, however, the question whether any change abandoning the federal character of the constitution is possible; the answer would seem to be in the negative. The States have full powers of constitutional change, but within the limits of the federal constitution; bills effecting important alterations or dealing with the governor's salary must be reserved unless approved in advance by the Imperial government. Efforts to effect by referendum great changes in the relation of the states and the Commonwealth have so far been defeated at the polls, and the question of a revision of the constitution which would probably involve Imperial legislation, is still unsolved.

Now I come to New Zealand, and I have got very little more to read:

New Zealand originally had somewhat limited powers of constitutional change, but it is probable that since the act of 1865 she has practically full authority in this regard, though any important constitutional change would probably be effected by a bill reserved for the signification of the royal assent. The same position applies to Newfoundland where the constitution rests on the prerogative. In the Union of South Africa changes affecting the numbers and distribution of seats in the lower house, the native franchise in the Cape province, and the equality of the Dutch and English languages can be brought about only by a two-thirds majority of both houses at a joint sitting, and the same rule applies to any proposal to vary this requirement. Moreover, any bill affecting the constitution or powers of the provincial councils, or the provisions regarding the lower house must be reserved. In Malta power of alteration, by two-thirds majorities of the total members of either house, is limited to matters not affecting the subjects of legislative power, religious toleration, the rules regarding official languages, and the civil list, and in the case of India under the provisional constitution power of change in any essentials is reserved to parliament.

India is altogether different from Canada I hope. Now I come to legislation in the crown colonies:

The legislatures in the crown colonies and protectorates have as a rule no constituent powers, but those of the colonies with representative legislatures have full legal powers of alteration. In the Irish Free State the power of alteration is limited only by the necessity of not violating the treaty of December 6, 1921, and by the requirement that after eight years from December 6, 1922, changes must be approved by referendum.

There is a short and succinct history of the way in which the constitutions are provided with their amendments in the various acts which have passed the British parliament. Canada, which was the first to be created, is limited ever so much more than the other later dominions, and yet we by reason of our fifty-seven years of experience, by reason of our contribution in the war—of men, of money and other things—are at least entitled to the same equality of privilege in the matter of amending our constitution as these other states enjoy. And that is not all. We entered upon this undertaking long before many of the other dominions. Long ago we achieved responsible government in this country, but it was obtained by a battle, and we have been recognized as an equal state by certain declarations that have been made in England. We have been given a position on the League of Nations, and we have been recognized in other directions. The Parliament of Canada has achieved another thing. Canada has achieved the right to negotiate a treaty and to sign it through a Canadian minister and we are making headway in various other ways. You can go through the correspondence which has taken place between the Mother Country and Canada, and you see a gradual widening out not so much in the direction of independence as in the recognition of the fact that the more freedom is given to Canada the stronger she will be in domestic affairs and the broader and stronger will be the union between the daughter state and the Mother Country. That is my contention. I am asking only that Canada be given what these other countries possess, and we can get it in a moment; all we have to do is ask for it. Some of my friends will say "Why should we ask for it?" Because the sentiment is growing, and England sees more and more that the way to be

strong in the estimation of the dominions, including Canada, is to give them every freedom in the management of their own affairs. This right will be given to us if we ask for it. For the present condition of affairs I blame our own parliament and our own governments past and present. They are to be blamed because they have not asked for this right. I am just as certain as that I am standing here that we have only to ask in the way I have indicated and the right will be conceded. Was any objection made when Canada asserted the right to sign her own treaty? No, there was no objection there, it was rather welcomed and, as I have said, this parliament is to blame because we have not been given full power to make our own constitution.

Now I have come to my real argument and it is this: Is Canada a sovereign state? Are we a nation? If we have not the right to make our own constitution and to make our own courts the final interpreter of it, ought we not to have the right when a legal decision is needed to have it made here in Canada by a court which is the creation of this Dominion? Canada creates her own courts, and why should she not be given the jurisdiction to settle these constitutional questions? I think the time has arrived when she should have this right, and I think the people of this country are of the same opinion. Some persons have said to me, "Oh Mr. Maclean, when you spoke in the House the other day you talked of the judicial committee having shot holes in the constitution of Canada. Are you not shooting holes in the British constitution?" I say no. The whole history of British connection is one of the development of progressive government, of the increase of the liberties of the people concerned, and it must be admitted that in that way greater union is secured. Now, I am not the only offender in this matter. The right hon. leader of the opposition (Mr. Meighen) has a very strong notice of motion on the order paper in regard to Canada's independence in the matter of fiscal and tariff policy. I know that I am going to have the support of the right hon. gentleman in this matter because I am only trying to do in regard to it what he is trying to do with respect to our fiscal policy He is following the late Sir John A. Macdonald. John A. achieved a good deal. He is responsible for the National Policy in this country; and if we achieved a national policy in regard to the tariff God knows it is time to achieve it in regard to the constitution of the country so as to render our courts supreme in matters of law.

I could go on and speak at length on this question but I do not intend to do so. This is a short sitting and I should like to see some definite pronouncement made from authoritative quarters. But, I hope the House will adopt this proposal. There may be an objection to it, and I am waiting to hear that objection. I am especially waiting to hear from the Minister of Justice (Mr. Lapointe) and from the Prime Minister (Mr. Mackenzie King) as to whether they are prepared to ask for relief in this matter. I do not wish to sidestep the issue, and I am not prepared to say whether there ought to be a consultation between the provinces and the Dominion, although that is set out in Professor Keith's book; but the point is that if we unite on this matter we will get relief. All you have to do is to ask the British government to-day to adopt what I have in substance embodied in my resolution. It is a simple proposal and will not be denied. I believe that if we pass the resolution this session we will obtain relief before the end of the year and then Canada will be in a position to undertake what is her right to undertake, which is the natural outcome of our progress; to make her own constitution, and to interpret it in her own country via the Supreme court, which is composed of responsible Canadians.

I have not a word to say in regard to the constitution of the Privy Council. People say it is a good thing that we can go there, and I give the Judicial Committee of the Privy Council credit for having time after time saved the country in the interpretation of the constitution from mistakes of her own parliament and legislature, but we are not always to be in the position of minors. After 57 years of experience under the British North America Act the statement is made, "Oh you are minors, you are colonials." Have we not advanced beyond the state of being minors or mere colonials? Has that state of affairs not ceased? Or when is it to cease? Are we not of age? In the old days we relied on the fathers of the constitution. They are all gone. We must take care of ourselves and work out our own salvation and our own autonomy exactly on the lines I have suggested to-day; but the matter has to be dealt with and considered in some way. I hope that never again will we be in the position that the interpretation of the British North America Act must be made by the Judicial Committee of the Privy Council. I think now is the time to end that state of affairs, and I say that with all respect to the judicial committee and to the Mother Country. It has given greater rights to the other dominions. They are prepared to give the same rights to the Canadian people, and especially to these Canadian people who

have the record that we have as a free state and as a great ally of the Mother Country. They are prepared to give it to us if we ask for it. Objections of one kind and another can be raised, and they are worthy of consideration, but the broad question is now up before this House and the other chamber.

I am appealing most of all to the right hon. leader of the opposition in regard to these matters, and perhaps he will be able to let the members of another honourable House see that they should join the House in the proposal as I have set it out; and if he does so it will be easy to get ahead and make some improvement. I absolutely dissent from the statement that has been made in this House, in the country and in another place, that in some way Canada is still in a state of tutelage, and that we are minors and that we have the right to go to the foot of the throne as the Indian has the right. We are not Indians. We are full-blooded Canadians, and a hundred per cent Canadians, as I said the other day, and if this Canadian parliament in this year 1925 is not fit to make its own constitution, and if its courts are not fit to interpret that constitution, when will we be in such a position? Does the leader of the House, a Canadian, hold that view? Does the Minister of Justice hold that view? Are his colleagues of that view? Are hon. gentlemen on this side of the House and are our friends from the west of that view?

I should like to talk about some reports that have been mentioned in the press in regard to constitutional changes in this country, but I respect the question that I have submitted to the House too much to deal with these reports in any way. I may have occasion at the close of this debate to say a few words on the objections that may be urged against my proposition, and when I speak about objections being urged against it I wish to say to my fellow countrymen that I am a Canadian and I have tried to protect all rights as set out in the original act. I have not made a single suggestion to repeal in any way anything which is calculated to protect the rights of the minority under this act. I think I will have support in this matter, because a lot of other questions will come up. The constitution must be broadened. New alliances and new formations will take place, and I repeat that the only way to settle the constitution is to make this act the basis of it. You cannot go outside and create new acts, but it must all be embodied in this one act. You can expand it, and in expanding it you must protect the rights within that constitution. It must follow, as daylight follows darkness, and be based on this act. The whole question before us now is this act and how we can amend it so as to make self-government more complete in Canada, and therefore make this a better country in which to live, and to work out the destiny which is in store for us. There may be still a great federation for us in the future in connection with the British Empire. I am not going into that. That would be based on federal ideas. But as we are now a federated nation and have federal laws and are living under those laws, nobody is so competent to deal with this question as ourselves. That being so I leave the motion with the House.

[Mr. W. F. Maclean.]

Mr. CARROLL: Paragraph 2 of my hon. friend's motion proposes an amendment of the act and reads:

> 2. The parliament of the Dominion may amend the said British North America Act when it may see fit to do so, but it is not empowered to pass any amendment affecting the rights guaranteed in said act to minorities.

The hon. member has only made reference to some assumed or alleged guarantee to the province of Quebec. Has he in view any other guarantees to minorities in provinces outside Quebec?

Mr. MACLEAN (York): I absolutely apply it to every guarantee in this act, and I believe that is the feeling of every member of this House. Whatever rights are guaranteed in this act ought to be carried out to the letter, and that is my contention. I have heard of some rights which Nova Scotia has. One of the rights of Nova Scotia—although I do not see how it can be carried out in law, as far as the constitution is concerned—is that there is an arrangement between the local politicians as to the alteration of appointments to the Senate. I do not know whether that is so or not, and I cannot say what parliament will do with it. But in so far as any rights of minorities are guaranteed in this act, my motion is absolutely for the preservation of those rights in any measure to take over the administration of the constitution, by both houses of parliament.

Mr. L. H. MARTELL (Hants): Mr. Speaker, the prime motive power actuating the hon. member for South York (Mr. Maclean) in bringing forward this resolution seems to be a decision lately given by the Judicial Committee of the Privy Council in what is commonly known as the Industrial Disputes Act.

Mr. MACLEAN (York): I placed this very resolution on the order paper in the last session before this decision was given.

Mr. MARTELL: The trend, however, of my hon. friend's remarks has been an endeavour to show that we should not in any wise appeal to the Judicial Committee of the Privy Council in matters of law in the Dominion of Canada. It will be well for us for a few minutes to consider how confederation was brought about and what is the present charter of the Dominion of Canada. It is a matter of common history that negotiations took place from time to time between what was then commonly called Canada, that is, Ontario and Quebec, and the provinces of Nova Scotia and New Brunswick, looking to the consummation of a federal union. As a result of the Quebec conference, I think in October, 1864, certain resolutions were passed, and in accordance with these resolutions there was passed by the Imperial parliament an enactment known as the British North America Act. The British North America Act of 1867, under which Nova Scotia, New Brunswick, Quebec and Ontario were federally united, is the charter or constitution of the Dominion of Canada. It is in the nature of a contract between the various provinces. The minds of the fathers of confederation, as we say in the law of contracts, eventually got ad idem, that is to say, they came to a common meeting point. Confederation did not alter in any respect our relationship towards Great Britain or weaken in any way the headship of the crown. There is in the British North America Act nothing which in any way vacates the supreme legislative authority of the British parliament over and throughout the British Empire. To say that our position as one of the nations within the British Empire is on an equality with that of the British parliament as regards legislative authority is to assert an anachronism. The British parliament can change the imperial constitution; it can also change the constitution of any of the daughter nations within the empire, whereas Canada cannot alter her own constitution nor in any wise affect the constitution of Great Britain. No legislative body can make laws repugnant to imperial acts, which by express words or necessary intendment are extended to the British dominions beyond the seas.

My hon. friend, moreover, has said that we are a nation, a sovereign nation. Every person who knows the primary essentials of international law must know that no nation is a sovereign nation unless it has the right to send and receive ambassadors, a right which Canada has not at the present time. There are several acts which have been expressly applied to Canada, the chief of these being the British North America Act, which is our Canadian charter or constitution. The resolution of the hon. member for South York, which embraces within its four quarters a draft petition to His Most Gracious Majesty the King, praying that Canada be given the right to amend her own constitution, is in itself a violation of the contract made between Nova Scotia, New Brunswick, Quebec and Ontario at the time of confederation. This contract became law by the ratification of the Imperial parliament, and the contract is the British North America Act. It will be remembered that at the Quebec conference, held for the purpose of bringing about a confederation of the provinces of Canada, Nova Scotia and New Brunswick, resolutions were passed which became the basis of what is known as the British North America Act. Prior to confederation each of the provinces of Canada was as plenary in its power of government and legislation as is the Dominion of Canada to-day and also the various legislatures; that is to say, the various provinces which now constitute Canada, particularly the provinces of Nova Scotia, New Brunswick, Quebec and Ontario, at the time of confederation possessed all the powers of civil government embraced in the powers and authority of both the federal parliament and the provincial legislatures combined at the present time. The British North America Act may be termed the contract between the provinces and the federal authority.

4 p.m.

To attempt in any wise to interfere with the British North America Act, which as I say, was an agreement between the various provinces of Canada, ratified and confirmed by the British parliament, without conference and agreement between the provinces constituting confederation and the federal authorities, would be a wrongful act. It would be a violation of the crassest kind of provincial rights, and without the concurrence of the various provinces constituting confederation, a petition based upon a resolution such as has been moved by my hon. friend would not be entertained by His Most Gracious Majesty in Council or by the Imperial parliament. Where there has been entered into between two parties a contract, the making of which has been the subject of a great deal of negotiation, it cannot be altered so as to give one of the parties rights and privileges without the concurrence ad idem of the other parties to the pact. In ordinary contracts between individual and individual, if a contract is reduced to writing, then one of the parties cannot of his own volition insert a new covenant without being guilty of a breach of contract. In a greater

question where the rights of minorities, the rights of provincial legislatures are concerned, my hon. friend is endeavouring to have a unilateral change, so to speak, of the constitution or charter of Canada made between the parties at the time the confederation of Canada was brought about. At that time the various provinces which went into confederation surrendered rights to a central body, but they retained certain rights to themselves. The agreement or contract was the British North America Act, and surely no person would hold that one of the parties to that agreement has the right to alter it without the consent of all the parties interested. In an ordinary civil matter, to do so would be a breach of the agreement; then if this is so as between individual and individual, how much greater is the wrong when it affects the constitutional rights of sections of provinces of the Dominion of Canada?

The jurisdiction of the Canadian parliament to alter the Canadian constitution cannot be conceded and have the rights of the provinces protected. The will of the Canadian parliament in this matter is not omnipotent; the superior authority is the Imperial parliament. The question to be decided as regards any Canadian legislation, whether federal or provincial, is simply this: Is the act repugnant to the British North America Act? Does the act overstep the limits prescribed by the Imperial charter for federal or provincial legislation, as the case may be? A statute emanating from a legislature not having the power to pass it is not law. A legislative body cannot confer rights or impose liabilities where the legislature has no power to pass such a law. It is a nullitas nullitatum and cannot affect anybody. The British North America Act which has prescribed the bounds of the legislative authority of both federal and provincial legislatures imposes upon the judges of our courts the duty of seeing that those bounds are not over-ruled.

Now, Sir, I have dealt with the question of contract; let me come to the question of appeal to the Judicial Committee of the Privy Council. That seems to be the chief theme of my hon. friend's discussion. It has been brought about by the declaration of the judicial committee that the Industrial Disputes Act of 1907 is ultra vires of the federal parliament. I am not going to criticise that act. Its object was commendable. But no matter how commendable the object, no matter what may be the desire of the people in any part of this country, it does not give to parliament the right to infringe upon the rights of other parties to the contract. I might review the reasons why the decision was given. It was the subject of a dispute in the city of Toronto between the Hydro Electric Commission and its employees. A board of conciliation was appointed by the Minister of Labour of the day. The Hydro Electric Commission said that this was not in the best interests of the parties to the dispute, and they refused to appoint their representative. Under the act it is provided that once a board is appointed all things remain in statu quo. The Hydro Electric Commission contended that by virtue of clause 13 of section 92 of the British North America Act the provincial legislature was the only legislative authority capable of passing such legislation. Application was made to Mr. Justice Orde in chambers, and after hearing argument His Lordship granted a restraining order pending the trial. Mr. Justice Mowat tried the case, and he upheld the validity of the act, Appeal from his judgment was taken to the appellate court of Ontario, which upheld the trial judge, Mr. Justice Hodgins dissenting. The matter was then taken to the Judicial Committee of the Privy Council, and their Lordships decided that the act was an infringement upon clause 13 of section 92 of the British North America Act, and was therefore ultra vires of the federal parliament to enact.

In the course of his disquisition my hon. friend said that the Privy Council was right in its decision. That in itself, Mr. Speaker, is one of the strongest arguments why the right of appeal to the Judicial Committee of the Privy Council should be maintained. There is no clamour throughout the length and breadth of the Dominion for the abolition of such appeals. The Judicial Committee of the Privy Council is made up of some of the highest trained lawyers in the British Empire, men who have devoted themselves exclusively to the study and practice of law. The great barristers of England who are elevated to the bench are not men, as we often find in some of our courts, closely allied to corporations—business men rather than lawyers. The judges of England have been trained from their youth in the principles of Blackstone, of Coke and of Littleton. And it is an ideal state of affairs that we, whose forbears brought with them all the common law of England save that which was inapplicable to our status as a colony, should have these principles of common law made uniform in interpretation for the whole British Empire.

The Judicial Committee of the Privy Council as at present constituted—and, Mr. Speaker, I take this from a speech made by one of the law lords in the House of Lords

many years ago—took its origin in 1833, and it is the general concurrence of opinion that that tribunal has performed its very high and important functions,—a great if not the principal portion of which has been the exercise of appellate jurisdiction in cases brought from the various portions of the British Empire—to the satisfaction both of Great Britain and her dominions beyond the seas. I submit that from the date when that learned law lord made that statement down to the present time there is not a single person in the Dominion who, if he is fair, wants in any way to interfere with the right of appeal to the Privy Council. We are satisfied with it, and we should devote ourselves to domestic problems, leaving the law as it is in that regard.

It should be the primary condition of all legislation throughout the British Empire to have the law not repugnant to the law of England. We have ample precedents for interpretation. It is easy to find a decision when we go to the English courts, because there has been the long trend of ages wherein interpretations have been made by the greatest lawyers of England. I say, Sir, it should be the primary condition of all legislation throughout the British Empire to have the law not repugnant to the law of England, save in so far as changes by statute are necessary from time to time in order to meet conditions obtaining in particular sections of one of the constituent parts of the empire. It is accepted that the first settlers brought to Canada were bound by all the principles of the common law of England which were applicable to our situation at the beginning as a daughter nation of the British Empire, but they brought with them none of the English statute law save that which was made expressly applicable to their situation as a colony. If the principles of the English common law obtain in the greater portion of the British Empire, then is it not meet and proper that a final court of appeal be constituted so as to apply the general principles of the common and the statute law and thus have its decisions uniform? Moreover in the interpretation of a statute of great importance it would seem to be in the best interests of every portion of the empire to have a uniform interpretation of the phraseology or words of statutory enactments.

As citizens of the British Empire it is doubtful whether or not it would be in the best interests of the people to endeavour by any legislative enactments to take away, or to any great extent circumscribe, the right to an appeal to the Sovereign in Council, which is practically an appeal to the Judicial Committee of the Privy Council. The sovereign is said to be the fountain of justice and is constitutionally empowered to receive petitions and appeals from all his dominions and possessions, both in the Old Land and in the new, upon such regulations and conditions as may be defined by the authority of the Crown in Council. The petitions for appeal are referred to the consideration of the Judicial Committee of the Privy Council, upon whose report the decision of the sovereign is presumed to be pronounced. The Judicial Committee of the Privy Council could not, and is not permitted to, advise upon questions of general or political policy, for that is the special province of the cabinet council. Neither does it undertake to advise in criminal matters where no appeal to the Privy Council is allowed by law.

The statement that the appellate jurisdiction of the King in Council is retained for the benefit of the inhabitants of the British dominions beyond the seas, not for that of the Mother Country, cannot be gainsaid.

It secures to every British subject the right to demand redress of grievances from the throne.

When certain cases do not fall within the jurisdiction of ordinary courts of justice it provides a remedy.

It removes the influence of local prepossessions.

It is a great means of maintaining the uniformity of the law of England and those portions of the empire which derive their common law from Great Britain.

It enables suitors, if they so desire, to obtain a decision from a court which is the court of last resort so far as the British dominions are concerned, which said court is constituted of the highest judicial authority and legal capacity existing in the empire.

It is a controlling power over every judge in the empire, because he knows that his decisions are liable to be reviewed by it. Moreover, the great bulk of people in the Dominion of Canada have never exhibited a strong desire to part with the right of appeal from our courts to the king in council.

It has become the sole remaining power exercised through the crown over the British dominions.

We have ample power to establish, to abolish and to reconstitute courts of judicature and to provide for the administration of justice, but if a litigant's case is just, he should not fear its submission to a court such as is the Judicial Committee of the Privy Council.

The chief reason for the advocation of doing away with the appeal to the Judicial Committee of the Privy Council seems to

have arisen in connection with the case of the Toronto Electric Commissioner vs Colin G. Snider and others in which the Attorney General for Canada and the Attorney General of Ontario intervened. This was an appeal taken from the decision of the Appellate Division of the High Court of Justice for the province of Ontario which, in effect, was an appeal from a judgment of Mr. Justice Mowat and Mr. Justice Orde. Briefly, the whole case had to do with and turned upon the constitutionality of the Dominion Industrial Disputes Investigation Act of 1907, 6 and 7 Edward VII, chapter 20. Mr. Justice Orde, in his judgment on an application for injunction, gave a decision declaring the Industrial Disputes Act to be ultra vires of the Parliament of Canada, as it was an interference with property or civil rights within his province and as such was an infringement of Clause 13 of section 92 of the British North America Act, which section sets forth the exclusive legislative powers conferred upon provincial legislatures.

It is well known that section 91 of the British North America Act contains twenty-nine clauses wherein the matters which the federal parliament can exclusively legislate upon are set out. Section 92 contains sixteen clauses wherein the matters which can be exclusively legislated upon by provincial legislatures are set out. There is also a general clause under Section 91 of the British North America Act which is termed a non obstante clause, wherein authority is given to the federal parliament to legislate upon all matters not exclusively given to the provincial legislatures. It has been urged by some that this non obstante clause, or the general clause, the peace, order and good government clause; gives to the Parliament of Canada authority to pass legislation infringing upon provincial rights, even though the provincial authorities have under section 92 exclusive authority. But decisions of the Privy Council have in many cases held that this general clause can only confer jurisdiction upon the federal parliament where one of the twenty-nine clauses of section 91 is in direct conflict with one of the sixteen clauses of section 92 of the British North America Act. Otherwise the clauses of section 92 mean absolutely what they say, and in so far as any right to legislate upon any particular matter can be dealt with under section 92 it cannot be interfered with by the federal parliament.

Now, Sir, so much for that. That is exactly what occurred in connection with the matter of the Industrial Disputes Investigation Act. Learned judges in Ontario held certain things; they were not unanimous, therefore it was well that it was possible to get away from any court which might have prepossessions in the matter and get the interpretation of a court quite removed from local influences, quite removed from any pressure that might otherwise be brought to bear upon it—though I do not wish to say that pressure can very well be brought upon our courts. The method of interpretation of the British North America Act has been said by the learned law lords to be as simple a method of interpretation as would be applied to an ordinary statute. The same thing may be said as regards the constitution of the Senate. I submit to the hon. member for South York that neither he nor any other person in the Dominion of Canada has the right to interfere with the constitution of the Canadian Senate unless the provinces are first consulted and their unanimous consent obtained to an amendment. The method of appointment of senators in Canada is fixed by the British North America Act and cannot be changed or interfered with in any way without the consent of all the constituents which went to make up our charter, the British North America Act.

The cursory review which I have made in regard to the appeal to the Judicial Committee of the Privy Council applies, as I have already said, to the Senate of Canada. The government of the day, in its far-reaching, excellent and comprehensive Speech from the Throne, admits as regards the Senate that an agreement with the provinces must be had before an amendment can be made. I am afraid that if the hon. member for South York had the opportunity of laying unholy hands upon it, the appeal to the Privy Council would be abolished. In fact, his resolution is simply a subterfuge to get away from this appeal to the Judicial Committee of the Privy Council. I am not, Sir, imputing to my hon. friend the mover of the resolution any sinister object—beyond that one little object I have just mentioned. But when I hear of any person asking for the abolition of the right of appeal to the Judicial Committee of the Privy Council, I feel that it is an attempt to break away from the British connection, for the tossing buoy betrays where the anchor is hidden.

May I say in conclusion: Let us not be prone to sing discordant misereres against the links in the chain which bind us to the empire, for be they of law or of sentiment, they are well forged by laws of liberty for all, and equality for all; and above all, by the law of sentiment which is sadly needed by lesser breeds without law. As British subjects we are citizens of no mean country,

and from the rising of the sun until the going down thereof let us devote our energies to the upbuilding of our country, along great commercial lines, relying upon the fact that no coercive measure shall ever be applied against us by the Mother of Parliaments, and that Canada as the leading daughter in the galaxy of nations that will forever surround the British throne will always as a glorious Te Deum hymn:

Whilst the language
Whilst the arts
That mould a nation's soul
Still cling around our hearts,
And between let oceans roll,
Our joint communion with the sun
But still from either beach
The voice of blood shall reach
More audible than speech
"We are one!"

Mr. RENE MORIN (St. Hyacinthe-Rouville): Mr. Speaker, I am in accord with the mover of this resolution (Mr. Maclean, York), as to the necessity for Canada's obtaining the right to amend her constitution, but I differ from him as to the procedure which he suggests for that purpose. I have already claimed in this House that since confederation our status had been considerably altered, but it is not my intention on this occasion to retrace at any length the developments which have occurred.

Let me state, at first, that since confederation our constitution has only been amended, at our request, and to suit our purposes, and now we may safely assert that from a constitutional point of view the Imperial parliament would never think of altering our constitution except as we so demand, and that practically the Imperial parliament has lost that right. But satisfactory as this method may be in practice, it no longer conforms to our present standing.

The equality of our status with that of any part of the British Empire has already been proclaimed on many occasions, not only by Canadians, but by most of the prominent public men of Great Britain. Canada is now a member of the League of Nations and holds therein the same standing, the same rights, as fully sovereign nations. She has in the assembly of the league her own representatives enjoying all the rights of any of the other members. In the treaty of Versailles Canada appears as a unit, separate from that of Great Britain, though under the same king. She now negotiates alone her commercial treaties with foreign nations, and she signs these treaties by her own representatives, acting in the name of the King, but having received their full powers from him at the instance and under the direction of the Canadian cabinet. All these prerogatives are now fully acknowledged as belonging to us, but they are incompatible with the control which Great Britain can, theoretically, and in the eyes of foreign nations, exercise over us if she is the superior authority or the power which alone has the right to alter our constitution. Moreover, Australia, South Africa and Ireland, now enjoy the right to amend their constitution, and Canada cannot continue to occupy the inferior rank of the dominion which is not empowered to exercise the rights which belong to the other dominions.

For these reasons it is necessary that we should take steps to obtain the right of altering our constitution by an internal procedure entirely under our control.

But the constitution of Canada has a special feature; it is the result of a pact between the different provinces of Canada; it has this character, at least for the four original members of the confederation. For these four provinces it is a covenant or agreement, and it follows that no amendment or alteration of importance can be made to this covenant without the participation and consent of the parties to it. The other provinces which came in later entered this covenant of their own free will, and they should be entitled to the same privileges as the original members. It follows that no alteration of an important character can be made to the British North America Act, our constitution, unless it meets with the approval of the provinces which compose the confederation.

This conventional character of our constitution was also a feature of that of the Commonwealth of Australia, and if you refer to its constitution you will find that the right to alter the constitution has been surrounded by a number of protective measures, which preserve adequately the rights of each of the states which compose the commonwealth. The alteration of its constitution is made by a law, passed by an absolute majority in each of the two houses of parliament, and submitted to the electors qualified to vote for the election of members of the house of representatives, in each of the different states of the confederation, and this amendment comes into force if approved by the majority of the states and by the majority of all the electors who voted. It provides also, that in case of disagreement between the two houses of parliament, the Governor General may submit to the electors any proposed amendment passed twice after an interval of at least three months by any one of these houses.

In Australia, as in Canada, there are some fundamental rights which must be preserved with yet more care. We would hold here as sacred rights: The territorial limits of the provinces: The proportion of representation of each province: The rights which are attributed by the British North America Act to the provinces, particularly in matters of education: The privileges of minorities; and some others.

In Australia no alteration to the constitution which may in any way affect any of the rights which are considered fundamental can come into force as to each separate state unless it has received the approval of the majority of the electors in that state. So in Canada, our constitution should be so drafted that any alteration, which might affect some of these fundamental rights should necessarily receive the approval of the legislature of each province to which it may apply.

For these reasons, though I am in favour of the principle of the resolution, I cannot accept it as drafted, and I must register my vote against it. Moreover, I submit that any attempt to obtain the right to amend our constitution must be the subject of a conference between the provinces, and must meet with the approval of each of the component parts of Canada.

Mr. T. L. CHURCH (North Toronto): Mr. Speaker, I rise in opposition to this resolution. I believe there is no demand for this legislation. Furthermore, I believe that if this legislature did have the power that is asked for here, it would sound the death knell in this country of the basis of confederation; it would sound the death knell of minorities; it would sound the death knell of provincial rights, and more especially of municipal rights, and we must remember that there has been a very large investment by municipalities from coast to coast throughout this country in public utilities. Now, there is no demand for this legislation; nobody is asking for it. I am an Irishman but I should be sorry to see this country with a constitution such as Ireland has to-day. They have the right over there to make and unmake their constitution. What does the resolution of my hon. friend ask for:

> The parliament of the Dominion may amend the said British North America Act when it may see fit to do so.

Under such provision as that would not this parliament have the right to deprive the provinces of the powers which they at present enjoy under section 92 of the British North America Act? Is it proposed that this Dominion should be able to brush aside with a wave of the hand, the constitutional rights of the provinces and municipalities throughout this country? Let me give an illustration of what I mean. The municipalities and provinces in many cases are doing more to solve practical problems than is this parliament. The other day the leader of this government stated that the Dominion had nothing to do with the question of unemployment under the British North America Act. At present the control of the banking institutions of the country, of immigration, of transportation, of the tariff, and of the right to enter into international agreements, is vested in this parliament, and it ought to relieve the provinces and the municipalities of the problem of caring for unemployment. I am very much surprised that the hon. member for South York (Mr. Maclean), an advocate of public ownership as he is, in view of the fact that the city of Toronto from which he comes has made an investment of $125,000,000 in light, power, and transportation; in view of the fact that his constituency has been beneficially affected by these enterprises, should move such a resolution as this. Because, if the amendment to the British North America Act which he proposes had been in operation in Canada, there would have been no such developments in connection with light, power and transportation as have taken place in Ontario. The power to build, run and control these utilities would be usurped and interfered with by the Dominion and it would be possible for the Dominion by interference to wipe them out in the twinkling of an eye.

My hon. friend (Mr. Maclean, York) wants to know whether Canada is a sovereign state, whether it is a nation, and whether we can make and unmake our own constitution. No, Canada is not a sovereign state, and it is a good thing that it is not. Notwithstanding the fact that we have the right to sign halibut treaties, and other treaties, we are not a sovereign state. We are a nation in name only. We are dependent—just as is Australia to which dominion my hon. friend ascribed the possession of so much power—on the fleet of the Mother Country. Here we are talking about an amendment to the British North America Act, and in time of trouble we are the first to look to the old Motherland across the seas for protection and for the maintenance of the maritime freedom which we enjoy. And notwithstanding this protection we are content to sponge on the hard earnings of the British taxpayer for our maritime freedom without doing anything to relieve him of the burden. In this respect we are unlike the Commonwealth of Australia. What is their

attitude in this matter? They have a fleet of their own and contribute to maritime freedom. Let me quote from what the Prime Minister of Australia, Right Hon. S. M. Bruce, said as reported in volume 5, number 4, Journal of the Parliaments of the Empire, issued in October, 1924:

> At no time throughout her history had Australia been in a position to provide for her own national defence. To-day, as in the past, they were dependent upon the protection afforded to them by Great Britain. They had to recognize that fact. It was useless for anybody to maintain that if they were an independent nation, with no connection with the British Empire, they would be in a position to protect themselves. The certainty that they could not defend themselves would be a considerable incentive to any country to take action against them. They had the most wonderful unprotected white man's country in the world, with only five and a half to six millions of people inhabiting it. Looking round the world, however, they saw teeming millions in other countries, and knowing the rate at which their populations were increasing, they in Australia recognized the difficulties with which those countries were faced in finding an outlet for their people. "Few of us" said Mr. Bruce, "fail to recognize that Australia, undefended, would be a great temptation to any country." We all subscribe to the "White Australia" quality, which we say shall never, under any circumstances be abandoned. We intend to keep this country white and not allow its people to be faced with the problems that at present are practically insoluble in many other parts of the world. . . . It is true that, in the past, our right to assert this policy has never been seriously challenged, but it has enjoyed immunity from challenge because we are part of the British Empire, and have had the whole force of Britain behind us throughout our history.

I am afraid there is altogether too much talk in this country with respect to abolishing appeals to the Privy Council which is calculated to have the effect of weakening the ties which unite us to the Mother Country. I am afraid that legislation such as is proposed here would make it possible to encroach upon provincial rights, and in the case of the province of Ontario reduce to scrap many valuable public undertakings. In a word it would be possible to reduce the provincial legislature and the municipalities of a province to the mere status of a county council. The highest judicial court in the empire recently gave a judgment on the Industrial Disputes Investigation Act holding matters wholly provincial in their scope and activity and affecting property and civil rights, employer and employee, as matters for the provinces and not for the Dominion under trade and commerce. I do not wish to criticise the judgment of the Ontario court of appeal, I would not say anything derogatory with respect to it; but I must express the opinion that the judgment of the Privy Council removed one of the most deadly menaces to provincial rights in affirming that the provincial court of appeal was wrong in upholding, as it did, the Industrial Disputes Act. That law was held to be a bad piece of legislation by the Dominion by the highest court in the British Empire. On the other hand the judgment of the Ontario court of appeal would have absolutely destroyed provincial and municipal rights which we have enjoyed since the British North America Act first came into force. That judgment of the Ontario court of appeal has been upset by the highest court in the realm. This decision will stand for all time as a shining example of how the Privy Council protects the rights of minorities and provincial and municipal rights as well when threatened by the Dominion. We have had many statutes enacted by the Dominion tending to invade the provincial field. We have had the Combines Act which was more ornamental than useful. Since that act was enacted I am not aware that there has been a single prosecution instituted successfully under it.

Reverting to Australia, I may say that the commonwealth has appreciated its position much better than Canada has, and has established a fleet to protect its shores. According to the report of the Canadian Minister of National Defence Canada's expenditure on defence is only $1.46 per head of the population. Great Britain's expenditure for this purpose is $23.04; while Australia pays $3.30. If we are a nation, and this resolution passes, I suppose we should have the right to go to war, with the toy navy which we now have. The only thing this parliament appears to be ready to declare war on is on the rights of the provinces. That very clearly is what was done when the Industrial Disputes Investigation Act was enacted.

In the Old Country the press has been discussing the resolution of my hon. friend, and among others the Manchester Guardian. Well, I do not think there is any newspaper in the British Empire which knows less of Canadian affairs than the Manchester Guardian. In the present instance it is sympathetic towards the abolition of appeals to the Privy Council which would weaken the ties which unite Canada to the Motherland, because the Privy Council to-day is one of the remaining links binding Canada to the Mother Country. I think we are doing altogether too much to weaken the ties and relations between Canada and the Motherland.

It is said we can make our own treaties. I hope the day is far distant when Canada will be making its own treaties, because I think the treaties which are made by the Mother Country for Canada stand out by themselves and are beneficial to Canada. It is said we should have a Canadian ambassador at Washington. I may say I am opposed to that.

That is another way of weakening the ties which bind Canada to the Mother Country, and is not in keeping with the spirit of the British North America Act which is one of the remaining links which bind together Canada and the Old Land. Some people want to abolish the offices of Governor General and Lieutenant Governor. I hope these offices will not be abolished, because they are two of the few remaining links which bind Canada to the Motherland.

Before any resolution of this character is passed by parliament I think the provinces should be consulted. The provinces are a part of confederation. Under the British North America Act, sections 91 and 92, they have been given a written constitution and they should be consulted before any change is made in the act. Before we make any such change we should have a vote of the people, and no one is asking for a vote that I know of, or any change in the act as it stands to-day. As a matter of fact, Mr. Speaker, we are living in an age in which changes to our constitution will have the effect of weakening the ties which bind Canada to the Motherland. Many prohibitory laws are being passed. We seem to be living in an age when prohibitory legislation is a fad, too many prohibitory laws are being passed, and I think there is too much tinkering with the constitution. Nowadays people seem anxious to discipline their neighbours, but do not want to discipline themselves.

One of the reasons for the present resolution was the decision given in the Privy Council in the appeal of the Toronto Hydro-Electric Commissioners in a case involving a labour dispute, and it is held by some that the judgment declares the whole Industrial Disputes Investigation Act ultra vires of the Dominion parliament. I say that as far as that act dealt with Dominion matters, as long as it stayed within its own field and looked after the federal field and the rights of Dominion employees, it was all very well and proper. As long as the act was kept in its own federal sphere and applied it to the subject for which it was intended under section 91 of the British North America Act—that is works declared to be for the general advantage of Canada, which came under the jurisdiction of this parliament, such as Post Office employees, railway employees and federal employees—it was perfectly valid. So far as that act went I believe it did some good work, although it has not been a success in some other ways.

The bill was framed by the hon. presiding officer of this chamber (Mr. Lemieux) a gentleman who has been a long time in public life in this country, and who has all his life done a great deal to promote provincial good will and to advocate the principles of fair dealing between man and man throughout the country. The worthy author of this bill spent his life in the service of this country, and he never intended that that act should be utilized and used the way it has been, namely to stray out of the Dominion field and enter into the provincial and municipal fields and undertake to do work which it was not intended to do. The act was intended to function so far as it applied to federal matters under section 91 of the British North America Act, and so far as it applied also to any provincial works which were undertaken which were declared to be works for the general advantage of Canada. But when it left the federal field and invaded the provincial and municipal fields and dealt with municipal utilities—light, and power and many other things—and sought to constitute itself a court of appeal from the cities or towns, or a court of appeal in the province, then it crossed the border and entered a field where it did not belong.

I think the judgment given by Lord Haldane was sound where he deals with the matter of the protection of provincial and municipal rights in this country. I may say that the legislature of the province of Ontario is complaining, and I think they have good cause to complain, that this federal body is encroaching on their rights and dealing with matters which come under the provincial jurisdiction. I first refer to the St. Lawrence development, where eastern Ontario is affected. There was an application before the government to build up the Morrisburg dam. Under the British North America Act as it stands to-day the surplus waters subject to the rights of navigation belong to the province and the banks and rapids and bed of international streams. That is one constitutional question of which Ontario is asking for some solution.

Another question in which there is trouble under the British North America Act in the province I come from is the question of insurance. That has been before the Privy Council on several occasions, and the Prime Minister of Ontario said that Ottawa had gone out of its way to veto provincial legislation when there was no occasion for it. I think there was no reason for interference in regard to the question of light, power and insurance problems of the province. There is another serious conflict regarding insurance, although the province of Ontario recovered a judgment before the Privy Council twice protecting the legislation we passed. I may say

that among other matters affecting the province are the succession duties and the revenues of the province, and the control of the water-powers of the province. If this amendment carries it would interfere with all these matters. I say there is no demand for the legislation. Nobody is asking for it, and I do not know what good it would do if we did have the legislation. What we want during the present session is that parliament should solve some practical problems concerning the people of this country at this time. One most important matter is unemployment and another is the light and power question of this Dominion. We have many other practical problems to deal with instead of taking up a question which the people are not bothering their heads about.

Hon. ERNEST LAPOINTE (Minister of Justice): Any proposal affecting the constitution of Canada is by its nature of considerable importance, and the mere fact that such an experienced politician as my hon. friend from York (Mr. Maclean) has fathered this resolution is a strong indication that the subject matter of this resolution attracts a substantial measure of public attention. I desire merely to point out some of the difficulties which are in the way of the proposal submitted by my hon. friend. If I do not agree with him in many of his statements, I do agree at least with the statement that he made that there is no difficulty whatever in this connection with the Mother Country. My hon. friend stated, and repeated, that we could have that right if we asked for it, and he is absolutely right. I think that the language of some of the resolutions which I have read in the newspapers as having been adopted by associations in this country is rather unfortunate, because it conveys the impression that the Mother Country is refusing something, and that we ought to claim the right to amend our own constitution. The question, as my hon. friend rightly said, is not and cannot be one between Great Britain and Canada. It is one and might be a difficulty between this parliament and the provinces if there is any conflict in that regard.

It is true that in Australia, South Africa, New Zealand and in the Irish Free State, those dominions can, subject to many restrictions, amend their constitution. Not so with Canada. The British North America Act says itself that the Parliament of Great Britain merely enacted, put into a statute, the wish of the people of the provinces of Canada. It is of our making, and it is after an understanding between the bodies representing the provinces of Canada at that time.

There were many obstacles in the way of achieving confederation. Everybody who knows something of the history of Canada knows what some at least of those obstacles were. The country was on the verge of civil strife. During the two years which preceded the Quebec resolutions, not less than four cabinets succeeded each other at the head of the affairs of Canada. The provinces got together; they tried to effect an understanding and they effected one. In the language of Sir John A. Macdonald, the very pact of confederation bears on its face all the marks of a compromise. The provinces relinquished some of the powers which were theirs and they retained for themselves other powers. The powers which they relinquished they relinquished subject to conditions which were put into confederation, some of those conditions being more or less important, others essential, and without such conditions confederation would not have taken place. They tried to combine federal strength with local freedom of action. Everything that was private, domestic, home rule, the provinces kept to themselves, and they saw to it that their powers in that regard should never be interfered with. It is to be noted that in the British North America Act, they have the right to amend those provisions which concern their own constitution, except as regards the office of the Lieutenant-Governor. Not so in the case of any of the provisions concerning the federal parliament; and there were reasons for that. If confederation was a pact, an agreement, is it possible for one of the parties to the agreement, or rather for the body which resulted from the agreement, to amend, to alter the conditions of that pact without consulting and without securing the consent of the parties to the original agreement?

Mr. MACLEAN (York): What is the rule in the United States?

Mr. LAPOINTE: The United States never had the same position as had the provinces at the time of confederation. As regards the United States as well as Australia, New Zealand and South Africa, they all agreed at the time of the enactment of the statute creating their constitution that they would have the right to alter it. They possess that right because it was made one of the conditions of the statute constituting them a state. Not so with Canada, because there were special conditions and difficulties in the way. I ask my hon. friend this question. Confederation was achieved and the new parliament was opened in 1867. Does he believe that two years aftewards, in 1869, for in-

stance, this parliament could have fairly and reasonably amended the British North America Act or have asked the Imperial parliament to amend it without the consent of the four original provinces? Could he fairly say that that could have been done two years after the opening of this parliament? If it could not be done at that time, could it be done twenty-five years afterwards, or even fifty years afterwards, without the consent of the contracting parties in the pact of confederation?

5 p.m.

I want to convey to the House one or two points and I desire every one of my colleagues not to lose sight of this. First, the British North America Act itself is not only the charter of the Dominion of Canada; it is just as much the charter of the provinces of Canada. We derive our powers from the British North America Act; so do the provinces. They have no constitution other than the British North America Act; all their powers they derive from that act. Would it then be fair for us to arrogate to ourselves the right to change the act which is just as much the constitution of the provinces as it is our own? Second, my hon. friend speaks of protection to minorities. That is not the only thing in the British North America Act in which the provinces are interested. They have all their powers which they have kept to themselves and which have been agreed by everybody to be their powers. Have we a right to amend the constitution without their consent, in the way, for instance, of taking away from them some of the powers which have been theirs since confederation.

Mr. CRERAR: This parliament would have that power in respect of all provinces excepting the four that originally entered confederation.

Mr. LAPOINTE: I do not agree with my hon. friend in that regard. The other provinces came later into a joint confederation, but they have the same status, powers and rights as the original four provinces and they should be consulted just as much as any other province if any substantial change is asked as regards the British North America Act.

Third, within their sphere the provinces enjoy the powers of self-government just as much as the Dominion parliament does, and if so, surely the Dominion parliament cannot take upon itself the right to change a statute which gives to those provinces the powers which they enjoy.

Perhaps I could not do better than quote three of the leading propositions given by Professor Lefroy in The Canadian Constitution. They are propositions Nos. 2, 51 and 59, reading as follows:

2. Although the British North America Act was founded upon the Quebec resolutions, and so must be accepted as embodying a treaty of union between the provinces, yet when once enacted it constituted a wholly new point of departure, and established the dominion and provincial governments with definite powers and duties both alike derived from it as their source.

51. The object of the British North America Act was neither to weld the provinces into one nor to subordinate provincial governments to a central authority, but to create a federal government in which they should all be represented and entrusted with the exclusive administration of affairs in which they have a common interest, each province retaining its independence and autonomy.

59. The Dominion parliament cannot either expressly or impliedly take away from or give to the provincial legislatures the power which the Imperial act does or does not give them and the same is the case, mutatis mutandis, with the provincial legislatures.

If, Mr. Speaker, you agree with me, and if you agree with Professor Lefroy in the proposition which I have just stated, surely the conclusion is that we cannot ask for power to alter, without the consent of the provinces, the constitution which is their own constitution as well as it is ours. It also follows that if it is to be considered as a treaty, surely we cannot alter its provisions without at least seeking the consent of the other parties to that treaty.

Now, has it been considered as a treaty? I heard it suggested some time ago that this idea at confederation of a treaty is an antiquated idea. Maybe it is. But, Mr. Speaker, truth does not cease to be truth when it gets old; an old truth is always true. You cannot prevent facts from being facts whether you like them or not. I have here the Debates of the Parliament of Canada on Confederation. What did Sir John Macdonald think about it?

Mr. McMASTER: May I interpolate a question? When the several amendments which have been made to the British North America Act were obtained from the Imperial parliament were the provinces consulted? I seek information.

Mr. LAPOINTE: Perhaps my hon. friend will allow me to proceed and I will answer him later. Here is what Sir John Macdonald said, page 15—

In answer to the member for Carleton—

That is, when the Quebec resolutions were laid on the table.

—the government desired to say that they presented the scheme as a whole, and they would exert all the influence they could bring to bear in the way of argument to induce the House to adopt the scheme without alteration, and for the simple reason that the scheme was not one framed by the government of Canada or by the government of Nova Scotia, but was in the nature of a treaty settled between the

different colonies, each clause of which had been fully discussed, and which had been agreed to by a system of mutual compromise.

In the speech he made a few days afterwards, when moving the adoption of confederation,—page 31—he said:

I trust the scheme will be assented to as a whole. I am sure this House will not seek to alter it in its unimportant details; and, if altered in any important provisions, the result must be that the whole will be set aside, and we must begin de novo. If any important changes are made, everyone of the colonies will feel itself absolved from the implied obligation to deal with it as a treaty, each province will feel itself at liberty to amend it ad libitum so as to suit its own views and interests; in fact, the whole of our labours will have been for naught, and we will have to renew our negotiations with all the colonies for the purpose of establishing some new scheme.

Sir George Etienne Cartier, Hon. George Brown, and all the other Fathers of Confederation used similar language. May I be permitted to quote a few words from the speech made on that occasion by Hon. D'Arcy McGee, the centenary of whose birth will be celebrated in a few months? He said, at page 136:

We assembled under authority of that dispatch, and acted under the sanction it gave. Everything we did was done in form and with propriety, and the result of our proceedings is the document that has been submitted to the Imperial government as well as to this House, and which we speak of here as a treaty. And that there may be no doubt about our position in regard to that document we say, question it you may, reject it you may, or accept it you may, but alter it you may not. It is beyond your power, or our power, to alter it. There is not a sentence—aye, or even a word—you can alter without desiring to throw out the document. Alter it, and we know at once what you mean—you thereby declare yourselves anti-unionists. On this point I repeat after all my hon. friends who have already spoken, for one party to alter a treaty, is of course, to destroy it. Let us be frank with each other; you who do not like our work, nor do you like us who stand by it; clause by clause, line by line, and letter by letter. Oh! But this clause ought to run thus, and this other clause thus. Does any hon. member seriously think that any treaty in the world between five separate provinces ever gave full and entire satisfaction on every point to every party? Does any hon. member seriously expect to have a constitutional act framed to his order or my order, or any man's order? No, Sir, I am sure no legislator at least since Anacharsis Clootz was "Attorney-General of the Human Race" ever expected such ideal perfection.

There was some Irish wit in the last words of Mr. McGee. Since confederation what have our own statesmen thought about this matter? In 1906-7 Sir Wilfrid Laurier said, and his remarks will be found at page 2199 of the Hansard of that session:

In parliament here we can do as we please; we are in the majority; but are the members of this House prepared to say that if any province finds itself aggrieved by the terms of confederation, which have been accepted by all the provinces, they will ask the British parliament to alter the constitution in the way desired by that particular province? Such a course might be followed by very serious consequences. Confederation is a compact, made originally by four provinces, but adhered to by all the nine provinces who have entered it, and I submit to the judgment of this House and to the best consideration of its members, that this compact should not be lightly altered. It should be altered only for adequate cause, and after the provinces themselves have had an opportunity to pass judgment on the same.

Sir Robert Borden—then leader of the opposition—speaking in the same debate, used the following words:

I agree with what has been said by the right hon. gentleman regarding the undesirability of lightly amending the terms of our constitution and am inclined to agree with him on the necessity of some consultation with the provinces, although of course all the provinces are represented here. But inasmuch as this is a federal compact which we are asked to vary, it is only right that each province should be consulted and its decision given, in the right of its separate entity.

At that time there had been an interprovincial conference which considered the question of increasing the subsidies to the provinces, and after an agreement between those provinces an address was voted by both houses of this parliament for the purpose of amending the British North America Act to give to the provinces an increased subsidy. This address was submitted to the Imperial parliament. The Premier of British Columbia, the late Sir Richard McBride, went to London at the time—not that he was opposed to the amendment altering the provisions of the British North America Act and giving an increased subsidy to the provinces, but his objection was that British Columbia should have more than was given to her under the agreement and under the act which was submitted to the Imperial parliament at the request of the Dominion of Canada. I wish to quote from the remarks of the Secretary of State for the Colonies at the time, Mr. Winston Churchill, the present Chancellor of the Exchequer, just to show that the interpretation given to the confederation pact by the public men of the Dominion was also the interpretation given to it by imperial public men. On submitting the bill for its first reading Mr. Churchill said:

On the other hand, he would be very sorry if it were thought that the action which His Majesty's government had decided to take meant that they had decided to establish as a precedent that whenever there was a difference on a constitutional question between the federal government and one of the provinces,

He was referring to the objection of British Columbia.

—the Imperial government would always be prepared to accept the federal point of view as against the provincial. In deference to the representations of British Columbia the words "final and unalterable" applying to the revised scale had been omitted from the bill.

His language was still more explicit on the second reading of the bill. He said: I quote from page 753 of the British Hansard of 1907:

> The hon. baronet, the member for the city of London, asked why the bill came here at all. The British North America Act is the fundamental act governing the constitution of the Dominion of Canada, and different prime ministers of Canada voluntarily entered into that union. Adherence to the union was something in the nature of a treaty, and when an alteration in the basis of the treaty is made, as it is by the revised schedule of subventions proposed, it was felt desirable by all the prime ministers in conference that such a matter should be ratified by the Imperial parliament in the most formal way.

That was the interpretation that was accepted by every interested person in Canada, and I submit to my hon. friend the mover of the resolution that it is even to-day the interpretation that is given by the public men of Canada in the provinces.

Two or three years ago one of my predecessors in the Department of Justice, Right Hon. Mr. Doherty, had contemplated some legislation along this line, and he communicated with the various provinces. The correspondence is of a confidential character, but I may say that Mr. Doherty and all the attorneys general who answered his letter were of the same opinion, that nothing of this kind could be done without the consent of the provinces. The present Attorney General of Ontario was not then in the provincial government, but I have his opinion in a letter he wrote me last year concerning proposed legislation of this parliament. This is what Mr. Nickle says:

> I do not need to remind you that the British North America Act was a product of representatives from all the provinces as such, and not as representatives to a Dominion parliament. The government of this province is of opinion that the Dominion parliament should not act in the matter of obtaining constitutional changes, without the sanction of the provinces to its proposals to the Imperial parliament.

Mr. MEIGHEN: Would the Minister of Justice mind telling us what the subject of the communication was? To what change did the Attorney General of Ontario refer?

Mr. LAPOINTE: It was in regard to a resolution which I moved for the purpose of making it clearer that the legislation of the Dominion of Canada should have extra-territorial effect; and he suggested the insertion of two or three words, which were inserted with our consent when the measure was before the Senate. In regard to the question of the hon. member for Brome (Mr. McMaster) I may say that every time an important amendment was made it was first submitted to the provinces. I do not think there are many cases in which an amendment has been asked to the British North America Act without communicating with the provinces. If it was done it was only in cases where there could be no possible objection on the part of the provinces.

I repeat, Mr. Speaker, that if the British North America Act is a covenant, is of the nature of a treaty the provisions of which were essential for the acceptance of the whole scheme, have we the right to ask to be enabled to alter it without the consent of those who were parties to the agreement?

Mr. MACLEAN (York): How are we to make progress?

Mr. LAPOINTE: I will make a suggestion to my hon. friend, and it is the only possible one so far as I can see. If the British North America Act is the charter of the provinces as well as the charter of the Dominion, I ask again, how can we alter it without communicating with the provinces?

Mr. LADNER: If the minister will permit me, will that not apply in the case of each proposed amendment? Does the minister consider it advisable to lay down general clauses which will enable the provinces and the Dominion to amend the constitution, or would it not always be a question of amending the act only after consultation with the provinces?

Mr. LAPOINTE: I submit that this should be a matter for understanding between the Dominion and the provinces, and it is a matter upon which, I am sure, agreement might and should be reached. I heard an hon. member say the other day, speaking, I believe, of the suggested law concerning the eight-hour day, and evidently being impatient of the obstacle put in the way of that enactment in the difficulty of knowing the respective fields of jurisdiction on the part of the Dominion and the provinces—I heard him say, "Well, where there is a will there is a way." I was surprised at that statement. That was the spirit which inspired the invaders of Belgium in 1914, and the world was precipitated in a sea of blood. Surely the British North America Act cannot be made a scrap of paper, as that treaty was made at that time. There is a way, perhaps, yes; but the only way is the friendly way, is the legal way, is the constitutional way. It is to approach the various parties to the agreement with a view to arriving at an understanding as to the changes which may be necessary and which may be agreed upon by all the parties to the pact. As I have said, I do not think there could be any other way; I believe that any arbitrary action in the matter would simply defeat its own purpose and would

strike at the root of our national unity. I think I cite history correctly when I say that every time there has been a dispute in Canada as regards provincial rights, those who were on the side of provincial rights were victorious in the end. I do not think there can be any attempt to change the mutual charter of both the Dominion and the provinces by the arbitrary action of this parliament. I do not think it is possible to do it. To those who want changes, and I am willing to admit that there might be the necessity for changes, I would say that the only way to get them is the constitutional way, to ask the consent of the various parties to confederation. Mr. Speaker, after sixty years of confederation I think we may safely say that notwithstanding the great obstacles which were in their way the Fathers of Confederation who gathered in 1865 did a great work; I think we may boldly say after sixty years that their work has been a very satisfactory one. It was not perfect; there is no perfection in human devices, but certainly they did the best they could.

As I have said, I would not like to leave the impression that my own view is that no changes should be made at any time, or that no changes are possible. I agree that we are living in 1925, and not in 1865. The problems of Canada must be settled in the light of the present situation.

Mr. MACLEAN (York): By the men of to-day.

Mr. LAPOINTE: By the men of to-day, yes. I am not one of those who are riveted to the past and who are prepared to deny to our children the liberty of the future, but those changes the necessity for which may be seen as a result of our experience of sixty years cannot be made unless you proceed in a legal and constitutional way; they cannot be made arbitrarily; they cannot be made only at the will and at the request of the Dominion parliament; but those who are just as much interested as the Dominion parliament in this matter must have their say, must be consulted, and must give their assent.

I have read a very interesting work by Sir Clifford Sifton on this very subject. Sir Clifford is a constitutional authority, and has given much thought to this matter. He believes in the fullest degree of autonomy for Canada, and his work and his lectures are very interesting and very weighty. He admits as does Mr. Kennedy of Toronto university, and all the constitutional writers, that the British North America Act is a pact and must be treated as such. Mr. Kennedy, who has written a very important book on the constitution of Canada, and who, like my hon. friend from South York (Mr. Maclean) would like Canada to have the power to amend its constitution, admits that the British North America Act is a covenant and a pact, and he sees the difficulty in the way. Sir Clifford Sifton too, in his work, admits that the British North America Act is a pact and must be treated as such, and what does he suggest? He suggests a conference of delegates elected by the popular vote of Canada. Parliament would divide Canada into a certain number of districts which would elect delegates to that conference by way of proportional representation, and those delegates would revise or frame a constitution for Canada, which would be submitted to the people for approval.

The other plan he suggests is that a parliamentary committee should be formed to which would be called all the men who are constitutional lawyers in Canada, and all those who are interested in this matter, to give their views. That committee would revise the constitution, but its findings would be subject to a vote of the people of Canada.

There is much to be said perhaps in favour of both these schemes, but they are defective in one main, principal point. Neither of these bodies suggested by Sir Clifford Sifton would represent all the parties to the pact of confederation. The body or conference or gathering which might be entrusted with the work of revising our constitution must be a body in which the provinces, as such, and not otherwise, shall be represented, as well as this Dominion parliament. That is the point upon which I differ with Sir Clifford Sifton.

Mr. MACLEAN (York): May I ask a question? The minister admits now that a new party to the constitution has been created other than the original provinces, and that party is the Dominion of Canada.

Mr. LAPOINTE: It is the child of the provinces: it is not their father.

It is stated in the Speech from the Throne, as has been mentioned this afternoon that a conference will be called of all the provinces of Canada with this Dominion parliament with regard to the constitution of the Senate. There is the body to which this resolution of my hon. friend might be fairly submitted. It is to such a conference, and to no other body, that my hon. friend should appeal for the purpose of amending the constitution of Canada.

Mr. MACLEAN (York): Why not do it?

Mr. LAPOINTE: We will do it if my hon. friend will merely give us time. If the

session closes in a very short time, as I hope, perhaps my hon. friend will have the conference before it is too late. But I make now an appeal to all the men in Canada who are interested, and all Canadians should be interested in their own constitution, to study our British North America Act, to consider the question in all its particulars, to bring their minds together and to discuss fairly, without prejudice of any kind, the advisability of suggesting any amendments to the British North America Act when this conference is gathered. I appeal to all those who will have to speak in any authoritative way on this question not to put difficulties in the way by untimely and immature statements in regard to this conference which will take place. It ought to be a momentous gathering. Everybody should go there with a free, open mind, and convinced that they should listen to all the arguments which will be put before them and try if possible to come to an agreement and meet the wishes of the majority of the people of Canada. I think this is the only way, the only legal and constitutional way. It is the only way which will keep and maintain our national unity, and surely Canadians are able to come to some compromise in 1925 as they were in 1865.

Mr. MEIGHEN: Will the minister permit a question? Is it the intention of the government to submit some scheme to the approaching conference looking to gaining for Canada the power to amend its constitution?

Mr. LAPOINTE: Well, I think the resolution of my hon. friend from South York (Mr. Maclean) is one of the subjects which might fairly come before that conference. If I remember well the language of the Speech from the Throne, it is that a conference shall be called together for the purpose of considering amendments to the British North America Act with respect to the constitution of the Senate and other matters. Surely this would be one of the matters which the government would submit to such a conference. Under the circumstances and in view of the definition I have made of my own views, of my own position in the matter, I feel that I could not support the resolution of my hon. friend at the present stage. The hon. gentleman has served his purpose, he has brought the matter before the people of the country, and I do not think he should press the resolution to a vote.

Mr. J. S. WOODSWORTH (Centre Winnipeg): Mr. Speaker, last year, in connection with a motion which I had introduced, I took the opportunity to discuss this question at some length. It is not my purpose to cover the same ground to-day. I should like to point out, however, that on that occasion I took the ground that we should avoid a great many of these legal and constitutional difficulties by simply asserting the right of Canada to amend her own constitution. There is not the slightest doubt that Canada started with a colonial status as the hon. member for Hants (Mr. Martell) has pointed out, but there is the larger question whether we intend to retain that status in any degree very much longer. I would ask why it should be necessary that we should make an appeal to the Privy Council in regard to constitutional questions when appeal has for all practical purposes ceased with regard to what should be regarded as perhaps equally important—criminal cases.

We have heard a good deal of the rights of minorities as guaranteed in this act, and there has been special reference to the province of Quebec and the Maritime provinces. I should like to ask, what about the rights of minorities that are not specifically guaranteed in this act? In the last sixty years we have had the growth of new sections and new classes in this community. We have had within the last thirty or forty years the development of the great Canadian west; and some of us who are from the west, representing peoples of the west who were not living in the country at that time, representing constituencies in provinces which were not originally in confederation, feel that our development ought not to be forever tied because of certain legislation which was drawn up fifty or sixty years ago. We want to ask: What about the rights of minorities other than those that were specifically mentioned in the British North America Act?

There has been a great deal of stress laid upon the sacredness of contract.

Mr. McMASTER: Hear, hear; very much.

Mr. WOODSWORTH: Yes, very much. We know it is very dangerous to suggest anything else in the presence of such a large number of the legal fraternity. However, I should like as a layman, to urge the right of the present generation to live, which is, I think, of infinitely greater importance.

Mr. McMASTER: Past generations gave them that right.

Mr. WOODSWORTH: Past generations undoubtedly, as the hon. member for Brome has said gave us the right to live. I would also submit that we go on living after past generations have ceased to exist. Perhaps that is a merciful dispensation on the part of Providence, as we would never go very

far if we were confined by the limitations of past generations. I would urge that there should be at least periodic interpretations of the terms of any contract. Contracts may be interpreted in a very literal and very narrow way, or they may be interpreted in a broad and generous manner in accordance with the underlying principles. I would urge that we retain the general principles of our contracts, but that we should not be forever tied by an adherence to the letter of the law:

> The letter killeth but the spirit giveth life

Who then is best fitted to interpret, in the light of modern conditions, these laws of fifty or sixty years ago? Not, I submit, the men who live across the Atlantic, but the men who are living here in Canada and dealing with the everyday affairs of our Canadian people.

The Minister of Justice (Mr. Lapointe), in his speech, referred to some words that I used the other day in another connection, "Where there is a will there is a way". He seems to think that these words, which most of us learned in our school days and were then considered to be quite orthodox, carried some very sinister meaning; they remind him of the Germans. For the life of me I do not know just where the connection is, but I should like to say that he did not repeat other words which I used in connection therewith:

> Where there is a will there is a way, and where there is no will there is no way.

I was at that time emphasizing the fact that very often we allowed legal and technical difficulties to interfere with the carrying on of our work and the meeting of real difficulties, and I submit that the Minister of Justice throughout his speech gave no light as to how we are to solve the very real and pressing problems that confront us because of the difficulties inherent in this British North America Act.

The minister referred to the fact that there were obstacles in the way of achieving confederation. We quite acknowledge that, but I should like to urge that there are obstacles to-day in the way of maintaining confederation, and we should try, to our utmost, to remove those obstacles and lessen as far as we may the causes of friction.

I was very sorry the other day when a member of this House introduced the question as to whether or not an hon. gentleman who was not born in Canada had any right to consider some of the fundamental problems of the Dominion. I feel quite free to speak upon this incident because I happen to be Canadian born and of several generations of Canadians, and as such, a Canadian of the Canadians, I want to protest against any narrowness of that kind. Our grandfathers, or our great-grandfathers, came to this Canada of ours, but there are other men who are being induced to come here from other parts of the world and I submit that if we take them into our citizenship, we should accord them just the same right to speak on questions concerning the welfare of Canada as we native-born ourselves possess, and I would say—

Mr. LAPOINTE: Does my hon. friend suggest that I ever said anything to the contrary.

Mr. WOODSWORTH: Oh, no. I am not suggesting anything of the kind. The Minister of Justice is not responsible for the statement in question; it emanated from the hon. member for Fort William and Rainy River (Mr. Manion). I would urge that the only way we can maintain confederation is to insist absolutely upon justice for all, for the newcomer as well as for the old timer, for the westerner as well as for the easterner, for those parts of the country which entered confederation more recently as well as for those that entered it when the British North America Act was passed. I believe in federation, I believe in still wider federation—I believe we all hope for an ultimate world federation—but these things can be accomplished only as we maintain a very large measure of home rule—and we ought to have home rule here in Canada. In order to obviate the difficulties that seem to face the Minister of Justice and several other members with regard to this resolution I beg leave to move the following amendment seconded by Mr. Shaw:

> That the resolution be amended as follows: by adding the following words after the word "Dominion" in the first line of clause 2 thereof, to wit:
>
> Upon first obtaining the consent of all the provinces of Canada.

I think this will meet the objection raised by the Minister of Justice and the hon. member for St. Hyacinthe-Rouville (Mr. Morin). If that amendment were adopted we would not have any action whatever until all the provinces had consented thereto. Moreover, in accordance with the original motion, there is the further safeguard that there would be no power to pass any amendment affecting the rights guaranteed in the said act to minorities. Surely such a resolution, if it is not harmless—that is the only possible trouble with it—would absolutely safeguard the fundamental principles laid down in the British North America Act.

Mr. LAPOINTE: I am afraid that I could not accede to that amendment. The resolution amended in that way would be a great improvement on the resolution moved by the hon. member for South York (Mr. Maclean), but there is this objection: I think it might be possible to get the assent of the provinces to such a change being made in the British North America Act with the amendment suggested by my hon. friend: that this parliament be enabled to amend the constitution after having secured the assent of all the provinces to the amendment made by parliament, but I say even to get this amendment before the Imperial parliament you must have the consent of the provinces. That is my objection to the proposal, even as amended by my hon. friend from Centre Winnipeg (Mr. Woodsworth). It becomes a much fairer proposal, but the provinces have a right to be consulted before this is asked from the British parliament; and I submit even with this amendment the Parliament of Canada has not the constitutional right to pass an address to the Imperial parliament to amend the Act of Confederation without first submitting the proposal to the provinces.

Sir HENRY DRAYTON (West York): I had not intended to speak on this debate, but there are one or two things that have not been said which I think perhaps ought to be said. I agree very largely with what my hon. friend the Minister of Justice has said. I think he has made it perfectly clear what the real situation is, in so far as parliament is concerned, in so far as the provinces are concerned, and in so far as provincial rights are concerned, apart altogether from any question of minority rights. There is a good deal more reserved in the British North America Act than the mere question of minorities; and with what my hon. friend has said in that regard I absolutely agree. But I would like to get a little more clearly defined what all the trouble is. What are we talking about? What grievances do we want wiped out? How far do we advance ourselves to clarify the issue by adopting this or any other resolution? Let us go a little bit further. Where is the real trouble in connection with any act of autonomy in Canada? It is in Canada and in Canada solely. None of the different powers of government to-day is retained by the Mother Country. We have them all here, either provincial or Dominion. What function does the mother parliament to-day serve? She really only performs the function of recording the conclusions that Canadian authorities, provincial and Dominion, agree upon. Is there anything very much wrong with that? Is there really anything in that of great importance at a time when, as the hon. member for Centre Winnipeg (Mr. Woodsworth) says, we are chiefly concerned as to how people are going to live to-day? Is there anything in it of sufficient importance to warrant taking up very much time? How does this matter come up at any rate? There is no dispute certainly as between England and Canada, but a dispute having regard to the maintenance of provincial institutions in Ontario. That is what the dispute is about and nothing else. Does anyone here think it is worth while for a minute referring to the provinces the question of the settlement of that jurisdiction? It is settled. It always was settled. I have heard something said in the House to-day about the Privy Council. Well the Privy Council did not make that law. We all understood the law. I am speaking now as a matter of recollection, but I think it was in connection with the trouble at Edmonton concerning a municipal activity, when we were about to do the same thing as was done in Toronto, and our own Department of Justice advised the government that the step ought not to be taken, that it would raise at once an issue under which the Dominion would be putting its hand directly on a municipal institution, and when you put your hand upon a municipal institution you are affecting something which is entirely read out of the jurisdiction of parliament in so many words. In connection with a municipal institution which is carried on for the purpose of getting cheap utilities and cheap light and power, it is idle to say that it has to do with the matter of Trade and Commerce, when the very act dealing with the matter, the British North America Act, says that municipal institutions are absolutely and entirely reserved to the province. It is not new law at all. It is the law as given to the preceding government by its own legal department. Just so long as we kept out of the field where our own federal officers told us we could not go we had a very useful act. Just as soon as we put our hands where we were told we had no right to go, we are told, and properly told, in effect that our own legal advisers were correct.

The thing now for us to do is to talk this over with the provincial parliaments, not talking about getting through any general resolution which will take us really nowhere, because no general resolution—and everybody knows that is perfectly correct—will ever be consented to by the provinces. Why should they consent? Why should they consent to

an abridgement of their rights by one single jot or tittle, until they know what they are dealing with? If we have concrete principles to submit to the provinces, there is some sense in submitting them; but we will never have any hope of getting through a general amendment to the British North America Act which will tell us that the sovereign power over these provinces is in this Dominion.

What is really the trouble? In Canada at present we are wasting a great deal of time just talking about constitutional questions, theoretical questions. Why are we doing so? Is there anything after all, about our connection with the Old Motherland that we are ashamed of or want to change? Whom are we trying to please? It is often said that these things do not hurt or do not matter. They do not at home. We know perfectly well that some of us like to take a certain amount of intellectual exercise, just showing how wise we are about this problem and that problem, no matter what it is or what claim is put forward on behalf of Canada, looking to enlarged powers as against the Mother Country, and we know that the great bulk of the Canadian people are only too well satisfied to let things rest just as they are; that they desire to maintain the British connection, and that they are proud of their connection with the British Empire. If they are not and if we are not doing this merely as a form of intellectual exercise, what is the real trouble? What real grievance have we as regards our position in the British Empire as it stands to-day? Are we not free enough? Why, as the minister himself says, any request that comes from Canada to the British House will be respected by the British House. She is not tying nor holding us. We are free to do what we want. What do we want to do? What really do my hon. friends desire to do? I wonder if the Minister of Justice, in connection with those other matters that are to be discussed, has also before him the question of the limitation of the right of a Canadian to appeal to the Privy Council.

Mr. LAPOINTE: That question has not been considered.

Sir HENRY DRAYTON. I am glad to hear him say so. He has, however, an omnibus clause under which many things might be proposed, but I am glad he says that this matter has not been considered. While at home we all know that these things mean really nothing, on the other hand the stranger outside the gate does not know that, and many a thing is being said in Canada that is being looked upon as perhaps the first sign of the disintegration of the British Empire.

At six o'clock the House adjourned, without question being put, pursuant to rule.

Thursday, February 19, 1925

REPORT

Annual report of the Ottawa Improvement Commission for the year ended March 31, 1924.—Hon. Mr. Robb.

PARLIAMENTARY RESTAURANT

Right Hon. W. L. MACKENZIE KING (Prime Minister) moved:

That Messrs. Anderson, Bancroft, Gordon, Putnam, Papineau, Rinfret, Vien, Wallace and Wilson be appointed to assist His Honour the Speaker in the direction of the restaurant as far as the interests of the Commons are concerned and to act as members of a joint committee of both Houses on the restaurant; and that a message be sent to the Senate to acquaint their Honours therewith.

Motion agreed to.

YUKON QUARTZ MINING ACT AMENDMENT

Mr. GEORGE BLACK (Yukon) moved for leave to introduce Bill No. 6, to amend the Yukon Quartz Mining Act.

He said: The object of the bill is to make a few necessary changes in the act that went through on the last day of last session. I suggested these amendments at that time to the minister in charge of the bill, but he said he preferred to have the amendment this year rather than deal with it at the end of the session without consulting the officers of his department. He thought that if the amendments were pressed at that stage the whole bill would have to go over until this year.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

CANADIAN NATIONAL RAILWAYS—FREIGHT THROUGH PORTLAND

Mr. MacLAREN:

What amount of freight, originating in Canada, passed over the Canadian National Railway to Portland, Maine, for transportation overseas, during the years 1923 and 1924?

Hon. Mr. GRAHAM:

Package freight	Tons
1923	105,623
1924	84,774
Cattle	Head
1923	9,820
1924	6,921
Grain	Bushels
1923	19,048,819
1924	7,480,183

TAX EXEMPT BONDS

Mr. WALLACE:

What is the total amount of Dominion of Canada bonds outstanding free from income tax?

Hon. Mr. ROBB: $982,386,900.

CATARACT POWER COMPANY

Mr. CHAPLIN:

1. Has the government a contract to supply water for power purposes with the Cataract Power Company?
2. If so (a) when was the contract made? (b) when does it terminate?
3. What is the price charged for water?
4. Is more water being used than the contract calls for?
5. What amount of water in excess of contract was used during the last previous year of the contract?
6. What amount of money was collected for such excess water?

Hon. Mr. GRAHAM:

1. Yes.
2. (a) December 31, 1902; (b) December 31, 1965
3. $30,000 per annum to December 31, 1923. Subsequent price under adjustment.
4. Yes.
5. Determination of this not yet completed.
6. Nothing yet collected.

IMMIGRATION

Mr. CHURCH:

What immigration came into Canada during the years 1922, 1923, 1924; (a) from the United States; (b) from the British Isles; (c) from the continent of Europe?

Hon. Mr. ROBB:

Calendar year	Immigration from		
	U.S.	Brit. Isles	Europe
1922	23,733	31,005	12,552
1923	20,307	70,110	39,288
1924	16,328	57,612	47,029

QUESTION PASSED AS ORDER FOR RETURN

NATIONAL PARKS

Mr. KELLNER:

1. What has been the total cost of acquiring land, and of construction, at the Buffalo park at Wainwright, Alberta?

[Mr. MacLaren.]

2. What is the total cost to date of the Jasper park?
3. What is the total cost to date of the Buffalo park near Fort Smith?
4. What has been the cost of administration in each of the above parks?
5. What has been the revenue derived from each of the above parks?
6. What was the cost of the government buildings, fencing, etc., at Fort Smith?
7. What is the amount of the contract entered into, for the moving of buffalo from Wainwright to the north park?

PEACE RIVER RAILWAY OUTLET

On the Orders of the Day:

Mr. D. M. KENNEDY (West Edmonton): I would like to ask the Minister of Railways (Mr. Graham) if he has yet received the joint report of the Canadian National and Canadian Pacific Railways regarding a direct railway outlet from Peace river to the Pacific coast? If not, what progress has been made in the preparation of the report and how soon will it be completed and in his hands?

Hon. GEORGE P. GRAHAM (Minister of Railway and Canals): The reference to the heads of the Canadian National and Canadian Pacific Railways was not to find an outlet to the Pacific coast through the Peace river district; it was, if possible, to have some understanding arrived at between the two railways as to a joint development or otherwise of that district. A conference was held a few weeks ago in the Railway department the result of which, after hearing the various discussions, was that the heads of the two railways were asked if they could not come to some decision and make a recommendation to the government as to what they thought should be done, without duplication of railway lines. Their suggestions have not yet been received, and I am not in a position to say just how far the negotiations have proceeded, but I wrote the heads of both railways some days ago asking them to expedite a decision on the reference that had been made to them.

Mr. MEIGHEN: Will the minister say in this connection whether the heads of the railways are asked to advise as to the best method of outlet assuming that some method must now be found, or are they asked to advise as to whether any method should be found?

Mr. GRAHAM: I would rather think, from the discussions that took place, that they both had in their minds that some outlet should be found for the Peace river district, either immediately or in the near future; but

the question referred to them was merely a conversation with the gentlemen who were present, and I believe they will give us their full views on the whole situation.

Mr. MACLEAN (York): But more or less on the idea of co-operation between the two companies?

Mr. GRAHAM: I might say, yes, I think.

ALLEGED FRUIT COMBINE

On the Orders of the Day:

Mr. L. J. LADNER (Vancouver South): Has the government received, and if so will it file, a report by Lewis Duncan, a commissioner under the Combines Act, who investigated charges affecting certain companies alleged to be in a fruit combine in western Canada?

Right Hon. W. L. MACKENZIE KING (Prime Minister): The Minister of Labour (Mr. Murdock) is not in the House at present, but I shall direct his attention to the question of my hon. friend, and have an answer given to him at a subsequent sitting.

ALTERNATIVE VOTE

On the Orders of the Day:

Mr. W. C. GOOD (Brant): I should like to know from the Prime Minister if he can tell the House when the government propose to re-introduce the alternative vote bill that had a first reading last session.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I think I shall have to say to my hon. friend that I am not able to give him an answer at the moment, but if he will "wait and see," I have no doubt it will not be long before he will find out.

GRAIN INQUIRY COMMISSION

On the Orders of the Day:

Mr. O. R. GOULD (Assiniboia): I desire to ask if the government will lay upon the table of the House the evidence submitted to the Royal Grain Inquiry Commission.

Hon. J. A. ROBB (Acting Minister of Finance): I will direct the attention of the Minister of Trade and Commerce to my hon. friend's question. Speaking for the Department of Finance, I should like to say—and I hope my hon. friend will agree with me—that as the commission was in session for over a year, if we were to print for distribution all the evidence taken, it would involve a very large expenditure, and I imagine that few people would read it.

Mr. GOULD: It was not my intention to ask for the printing of the evidence, but that the evidence be laid on the table so that it would be available to hon. members. Speaking for myself I would like to have an opportunity of looking over some of the evidence given.

Mr. ROBB: I will direct the attention of the Minister of Trade and Commerce to my hon. friend's request.

BRITISH NORTH AMERICA ACT

PROPOSED CHANGE IN METHOD OF MAKING AMENDMENTS

The House resumed, from February 18, consideration of the proposed resolution of Mr. Maclean (York), and the proposed amendment thereto of Mr. Woodsworth.

Sir HENRY DRAYTON (West York): Mr. Speaker, at the time the House rose yesterday I think we were all pretty well agreed at least upon one thing, and that is that it had been well demonstrated by the hon. Minister of Justice (Mr. Lapointe) that no good purpose could be served by passing the resolution, but that on the other hand mischief might well result from it. I am disposed, however, to think that a good deal of good perhaps will come of the discussion which this resolution has forced upon the House.

The first thing that seems to be quite clearly established from what the hon. Minister of Justice has told us is that all our constitutional difficulties are of our own making. That is the first proposition which I think is absolutely and amply established.

The second proposition is that all such difficulties arise owing to the infringement of rights, either provincial or dominion. I take it that there can be no dispute whatever with that proposition.

There is a third proposition, which I hope will find just as immediate acceptance in the minds of all hon. gentlemen, and which I believe requires no demonstration; and that is that Canada to-day is content, and well content, to remain as Canada is, a part, and I hope a part of constantly increasing influence for good, but still a part, of the greatest political entity the world has yet seen, and I think will ever see—the British Empire. I hope again there is absolutely no room for doubt on that.

If we get these three propositions firmly in our minds, if they are really understood by our people, this will have been a very useful discussion.

Now, as to the first proposition. It seems to me that very little need be said in connection with that, namely that all our con-

stitutional difficulties are difficulties of our own making. I do not think there was any member in the House who was not convinced and carried by the speech of the hon. Minister of Justice in that regard. It was clear, and he had a wealth of authority for every proposition that he advanced, indeed the fact is well known by everybody, or ought to be, that our constitution, complain about it as we may, is of our own making.

The second proposition I think is equally clear, and that is that the constitutional troubles which we have arise over questions which are founded upon infringement of provincial rights on the one hand or of Dominion rights on the other. Can there be any dispute about that? It is such an important thing, particularly at this present time that we should all thoroughly understand that our constitutional difficulties are difficulties each with the other—not only difficulties of our own making, but difficulties each with the other, and they never should be looked upon or made use of for one minute by anybody as a reason for creating discontent with Canada's status within the British Empire. Now is there any doubt about it? Every constitutional difficulty which we have is a difficulty which is founded either upon an infringement of provincial rights by the Dominion or upon an infringement of Dominion rights by the provinces. The whole history of decided cases shows that. What claim does Great Britain or the empire make to-day upon anything Canadian? What objection does either make to any Canadian activity? We all know there is absolutely none.

What are the two questions which have given rise to this issue to-day, which has taken, I think, a most mistaken form? The more immediate one is what has happened to the Industrial Disputes Investigation Act. But what did we learn there? We learned nothing new but something we had always known, and that is that municipal institutions belong to the provinces and not to the Dominion. Is there any hon. gentleman in this House who would like to take the responsibility of declaring negatively on that principle? Is there any issue about it, is there anything to confer about in so far as municipal institutions are concerned? So far at any rate no public man in Canada has been bold enough to make that claim. Municipal institutions are the creations and the work of the provincial legislatures, which are all-powerful in that respect, and the act carrying out the agreement between those legislatures and the Dominion says so. Again I ask the question, does any hon. gentleman want to debate the right of this parliament to interfere with local autonomy?—to interfere with the city of Toronto's waterworks, or the city of Toronto's electric light system, or the city of Toronto's police force, and the like? Nobody does, and if he did he would have no regard for his own reputation. It is inconceivable.

What is the other question? We learn that, under the agreement of confederation, property and civil rights are matters which are left to the provinces. Well, I wonder how many people think that the Dominion knows better than the provinces what ought to be done with property and civil rights. I wonder how many provinces would feel like handing over the control of their property and civil rights to the Dominion, or, conversely, how many people in the Dominion think the federal authority ought to try to wrest those rights from the provinces? The whole truth of the matter, Mr. Speaker, is that Canada's difficulties are not constitutional, they are functional. It is not so much the structure, it is what we are doing with the structure, that is making trouble to-day in Canada—nothing else. Suppose we were to be asked to correct the troubles of Canada, how would we go about it? How would we characterize it? I think we would say, in the first place, lack of employment. I think we would say, in the second instance, the loss that comes from lessened employment, the diminished pay rolls and purchasing power. I think we would say, in the third instance, lack of population. I think we would say, in the fourth instance, the exodus to the United States. And I think we would say finally, burdensome taxation. Mr. Speaker, in the name of common sense what constitutional difficulties arise by reason of these troubles?—which I think will be generally admitted to be the chief troubles in the country. What constitutional difficulties confront us in connection with their consideration? None, absolutely none. All that is necessary to do is to put the question in order to elicit that response. That is not the trouble. We have got any amount of constitutional power to deal with all these questions, with all the questions which are due to our troubles to-day. No, it is not a question of law, it is not a constitutional question, it is a functional disease which afflicts this country very badly at the present time. In other words our constitution enables us to function, and if we are not functioning it is our own fault and not the fault of the constitution.

Now, suppose we go to the third point—I have no desire to speak at undue length—and that is that the general feeling in Can-

ada to-day is one of perfect willingness to still continue to form an important—and as I said before an ever increasingly important—part of the British Empire. There ought to be no room for doubt as to that. I admit that we have a lot of dialecticians who go up and down the country cleverly arguing that black is white, and never content until they have proved it to their own satisfaction. I admit that, but I am also equally positive in affirming that the Canadian people want no such changes, they want to carry on business as they are carrying on business now, they want a fair chance of considering on their merits the real troubles, functional as they are, of this country, without constitutional and other difficulties being constantly drawn over the track. We know that the heart of Canada beats as strongly and as truly as it did in 1914. But there is the stranger that is without the gates, there is the man who does not know, there is the man who holds every ill-considered word, every effort to get something for nothing, as an evidence of the dismemberment of the British Empire. All you have got to do to see that is simply to read the papers. I have heard some gentlemen say—not in this House I gladly admit—that it ill became the Canadian people to form part of a warlike empire like the British Empire. Mr. Speaker, can you imagine greater nonsense? I wish some of the gentlemen who talk that way would take the trouble to go over to the good old Mother Country, bleeding herself white, as she is, in order to honestly and fairly discharge her obligations to society—to society, yes, and to her own people,—to discharge her obligations to her own people as well as her international obligations. I should like them to go over there and consider exactly the plight the grand old country is in. Why, if there is a country in the world that is interested in peace, that is interested in commerce, it is Great Britain. Every man knows it. What is the reason of her position to-day? What is the reason there are 1,200,000 unemployed men walking the streets of Britain supported by her ratepayers and a burden on her diminished commerce? Every thoughtful mind knows it. We know very well that we could have issues on fiscal policy, but over and above fiscal policy, there is the fact that of all the nations in the world the Mother Country is the great trading country, she trades in every quarter of the globe, and her markets as a result of the war are such that, workshop of the world as she has been called, she can scarcely function any longer with efficiency. I happened to be in England this year, and one thing that a man, no matter how suspicious his mind might be, could not find there was anybody who wanted war, or further expeditions, or further incursions, or further risks.

No, no. The whole truth is simply this: that by taking our share and our part, I hope some day we will be able to so run things in this country, so adjust our financial affairs that we shall be in a position to play a worthy part; but I think the best thing for Canada to-day, not only for herself but for a world sadly rent by war, is to stay just where she is within the boundaries of the one great vehicle through which peace to-day can be ensured, the British Empire.

Mr. CRERAR: Does the hon. gentleman seriously argue that if we were given the right to amend our own constitution, which Australia and South Africa have, it would in any way weaken the ties of the empire about which he is talking so loudly?

Sir HENRY DRAYTON: We are talking frankly, and I am going to talk frankly to my hon. friend, and I tell him that he can find in the newspapers to-day, even in some newspapers in his own province, as we have heard from one gentleman sitting to my left, the affirmation that there was talk of secession, talk of sliding out of the empire.

An hon. MEMBER: Secession.

Sir HENRY DRAYTON: Make it any session you like; they are all evil sessions. I wonder if my hon. friend for Ottawa (Mr. Chevrier) thinks that would be a good thing.

Mr. CHEVRIER: That is not the point. There is another joke.

Mr. MACKENZIE KING: May I ask the hon. member—

Sir HENRY DRAYTON: One at a time. What was the joke?—secession from Canada or from the empire?

Mr. CHEVRIER: I did not refer to that. There was a joke about carrying this over to the next "session."

Mr. MACKENZIE KING: Can the hon. gentleman tell the House what the exact reference to secession was? Was it secession from the empire he was referring to?

Sir HENRY DRAYTON: I would refer to both. I think both would be most mischievous. And I desire to tell my hon. friend another thing: there is no worse service than can be done not only to the world, not only to the British Empire or to Canada, than talk which of itself may be absolutely harm-

less, but which in the eyes of the outsider may be looked upon, and unfortunately has been looked upon, as evidence of a desire on the part of this country to sever at any rate some of the relations with the empire.

Mr. MACKENZIE KING: That is the fault I find with my hon. friend's speech at the present time. I do not think there is any such thing.

Sir HENRY DRAYTON: My right hon. friend I am afraid does not want to get the point. I agree that there is none. I have been saying that there is none, but I do say that anything and everything which goes in the slightest degree to throw any question upon what I believe to be the absolute fundamental truth is bad all round, bad for both of our mother countries, and this country in particular. If England needs peace, France certainly needs peace; and to-day if there is one thing which is a nightmare in France it is the thought of the return of the Germans, and if there is one thing that gives a fair chance, a fair hope, of a solution of the whole difficulty, it is the co-operation of France and Great Britain. And if we do everything we can to assure the outside world that we are with those great countries to the fullest extent, that we, as part and parcel of the British Empire desire to see that everything is done which would bring pacification so earnestly desired by both of those great countries, then we are playing the best part we can play. And in playing that part any suggestion that there is any desire to in any way weaken our ties with the Mother Country, with the empire, works harm to the general good, to Canada, to France, to Great Britain and the empire itself.

Let us recapitulate. Let us understand that none of these troubles are troubles which should be held against either the Mother Country on the one hand or the British Empire itself; that all our constitution difficulties, our difficulties of the moment, are difficulties of our own making; that all the troubles that give rise to these difficulties are the infringement of rights, either provincial or Dominion; and that Canada absolutely and fully is mistress within her own house.

Mr. W. C. GOOD (Brant): I may be tilting at a few more windmills, but I hope not to take so long at it as my hon. friend who has just spoken. I should like to suggest to the House that we should seriously consider the dangers of a too rigid constitution. I am not disposed to deny what I think is most generally accepted, that our difficulties are of our own making; but it does not make them less difficulties, it does not make them less real; and I do sincerely hope we may avoid any possibility of friction and danger arising out of a too rigid constitution by taking the suggestion which was made yesterday by the Minister of Justice (Mr. Lapointe) and submitting this whole question to this conference which is to be called, in order that they may fully and frankly discuss it. I am satisfied that whatever may be the views of the hon. member for West York (Sir Henry Drayton) there is a feeling in Canada fairly widely prevalent that the situation at the present time is not satisfactory, that some modification ought to be made, and I am only going to throw out this suggestion. If, for instance, the reformation, the modification, or the abolition, of the Senate is under consideration in this country, and our constitution binds us so that one province can absolutely tie up the whole matter and prevent action for all time to come, we are face to face with a very serious practical difficulty and will have to meet it. The confederation pact or constitution may be a treaty. We shall have to observe our obligations. But it occurs to me that treaties need modification from time to time as conditions change. I have in my mind a little matter that some year or two ago gave considerable trouble to the government, namely the dispute arising between the Six Nations Indians in my own constituency and the Dominion as to the jurisdiction of Canada in that reserve. The Indians claimed that they were a separate nation, guaranteed all solemn rights by the Haldimand treaty. Although that might be so, a literal application of that contention would reduce us to such absurdities of practice that nobody in his senses would refuse to admit the need of modification. I do plead with the House with the member for St Hyacinthe-Rouville (Mr. Morin) who spoke so well yesterday on this question, that we ought to face the situation from the present point of view, and perhaps there is no better way than that suggested by the Minister of Justice (Mr. Lapointe). I do trust, that the matter will not be overlooked and that the conference may not sit and ignore this really important feature.

Mr. THOMAS VIEN (Lotbiniere): In speaking of the confederation pact, I think that we must approach it with great caution. I fully agree with the hon. Minister of Justice (Mr. Lapointe) that a pact which was entered into at a conference where all the component parts of what was then Canada were represented should not be lightly dealt with or amended, without a conference where

the opinions of the representatives of all those provinces which now form part of the Dominion could be collected and fully considered. I do not believe that even the amendment proposed by the hon. member for Centre Winnipeg (Mr. Woodsworth) would guarantee that element of safety which all the provinces of Canada desire and need, namely that the constitution shall not be corrected or amended detrimentally to any of its component parts. The hon member for South York (Mr. Maclean) has suggested that this parliament should be empowered to amend our constitution. I do not believe that it was ever the intention of the Fathers of Confederation to give to this parliament power to change the basis of confederation, and it would be a radical amendment to give to this parliament such power. I do not believe, either, that this parliament, after obtaining powers from the various provinces, should be able to suggest an amendment to confederation. On the contrary, I would suggest that if any amendments are to be proposed, the best way is that suggested in the Speech from the Throne, by convening a conference from all sections of Canada and letting all those who will be convened there fully discuss the proposed amendments, consider the pros and cons, and come to a concrete and definite proposition.

It is very curious to read in the newspapers, as is suggested by the hon. member for West York (Sir Henry Drayton), that there is a state of unrest in Canada and that to remedy it we should amend the constitution.

An hon. MEMBER: He did not say that.

Mr. VIEN: I understood him to say that he read in the newspapers talk of secession, talk of many causes of unrest, and that the proposal of the hon. member for South York was simply a step to put into effect some proposed remedies to the grievances which, he said, are complained of in the newspapers. I do not believe that there is such unrest in Canada at present in respect of our constitutional conditions. True, the Senate has been sometimes attacked; true, it might be useful to amend it. As a democrat, I should like to see the upper house fully representative of public opinion in Canada. I do not believe in a Senate where the members are appointed for life, and some of them have certainly outlived, much longer than could be fairly anticipated, the period of the services that they were called upon to render. I believe that the Senate should be elective—

Some hon. MEMBERS: No, no.

Mr. VIEN: I hear some aspirants who do not wish their chances to be impaired. But outside of those who have any aspirations, I believe every true democrat in Canada would like to see the upper house truly representative of public opinion in this country, and to obtain that end, we should make it elective. It is, perhaps, advisable that the period of tenure of office be not the same as that of members of the House of Commons. This is the case in many other countries, and we can take, with advantage, a lesson from the constitutions of some other countries. Consider, for instance, the constitution of France, where the Senate is elected for a period of nine years, renewable by thirds every three years. That will furnish the safety-valve, the degree of guarantee that at a given moment parliament will not be stampeded by a current of opinion. Apart from that, however, I do not believe that the laws of a democratic country should be passed by one of the Houses of Parliament which is not responsible to the people of Canada; but the best way to obtain that amendment is, as I say, that suggested in the Speech from the Throne, by convening a conference of all those who were a party to the pact of confederation and getting their opinions, so that the objections, if any, might be heard.

I, for one, would like to see some changes in our constitution. Some years ago, after the Treaty of Versailles, I heard in this House some hon. gentlemen then sitting on the treasury benches, for instance, Right Hon. Mr. Doherty and other members of the former administration, contending that Canada was a nation; that a dazzling light had been shed on this country showing her forth to the nations of the world a nation equal to all the others. These were fine words, and if they were not absolutely true, they expressed, I think, the ardent desire of all true Canadians who are proud to come out of the period of infancy, who want to become of age and to exercise all the powers that rest with a man and citizen. But these words, that Canada is a nation, do not mean, nor do I believe that any important section of public opinion in Canada holds them to mean, secession from the British Empire. So that when we hear the hon. member for West York (Sir Henry Drayton) saying that there are important sections of the Canadian people who sincerely desire secession from the British Empire, I think the hon. gentleman is mistaken.

Mr. MEIGHEN: I am sure the hon. member who is speaking is mistaken. The hon. member for West York made or suggested no such thing.

Mr. VIEN: What did he suggest?

Mr. MEIGHEN: I do not propose to repeat his speech, but I should say he made it clear on several occasions that he only deprecated language which suggested that such a feeling existed.

Mr. VIEN: That is what I am referring to. The hon. member for West York deprecated the fact that many newspapers and many public speakers showed a tendency towards secession from the empire.

Mr. MEIGHEN: He did not say that.

Mr. VIEN: That is what I understood.

Mr. HOCKEN: You are mixed up.

Mr. VIEN: I understood him to say so. At any rate, I am glad if the hon. member believes as I do, that no important section of public opinion in Canada desires to see anything of this kind. We all do really desire to maintain the connection with the British Empire. But if we are a nation, if, to use the words of a former Minister of Justice, a dazzling light has been shed on this country showing her forth as a nation equal to all others among the nations of the world, then it seems to me that some amendments to our constitution should be brought about so that the facts may be made to agree with the assertions. What other nation under the sun is there, independent, equal to all others, which has to send in last resort its appeal to the tribunal of any other country? Which one, among all the other independent nations of the world, is obliged to pass through the machinery of some ambassador of a different country in order to be accredited to foreign powers? Which among the independent nations of the world is obliged to receive as its chief magistrate a man appointed at the suggestion of an authority which is not within the country itself? I say, therefore, that if we are really a nation, as I hope we shall become, and always within the British Commonwealth, I should like to see the Governor General of Canada appointed, not on the advice of the British ministry but on the advice of the Canadian ministers to His Majesty the King.

Mr. MARTELL: Is the hon. gentleman's argument not tantamount to the fact that we are not a nation? And does it not go further and assert that when we do become a nation, in the way he asks that we should achieve that status, this will amount to an absolute declaration of independence and of secession?

Mr. VIEN: Not at all.

[Mr. Meighen.]

Mr. MARTELL: There is no other way out of it.

Mr. VIEN: Not at all. I say, however, that we are not a nation equal in all respects to some of the independent nations of the world. Even the little principality of Monaco has a greater independence than the Dominion of Canada. In 1920 I was in Paris and met a very distinguished Can-

4 p.m. adian statesman. He wished to have an interview with the President of the French republic and for this purpose he went to the office of the Canadian High Commissioner in Paris. The High Commissioner could not arrange the interview, however. Why? Simply because the Canadian High Commissioner in Paris is not accredited to the President of the French republic. This gentleman had to go to the British embassy and there request the British ambassador to arrange the meeting with the President of the French republic. Yet any citizen of the small principality of Monaco can go to the minister of that country in Paris and without any other formality have a similar meeting arranged. I do not contend that it is a matter of capital importance, but I do think that it is a matter of national dignity; and it seems to me that our high commissioners abroad, in England, France and other countries, should have the same standing as the diplomatic ministers who represent Roumania, Greece, Belgium and other nations that are hardly of any greater importance to-day than Canada.

As regard appeals to the Privy Council, it may be in our interest to remain in the present situation in respect of appeals on constitutional matters as well as in respect of appeals of grace to His Majesty. The Privy Council advise His Majesty the King on certain questions, particularly in appeals of grace; and in matters of this kind it might be well for us to remain as we are. But I fail to see why we should uselessly multiply appeals in matters of civil rights and of local interest. Why should we multiply uselessly these appeals and ask a few gentlemen sitting in London, for whom I have the greatest respect, finally to dispose of questions of this character affecting civil rights, commercial rights and other affairs of that kind within the province of our own parliament and legislatures to pass upon?

Mr. MEIGHEN: What are we to understand by an "appeal of grace"? It is a new term to me.

Mr. VIEN: I am sure it cannot be a new term to the right hon. gentleman. An appeal of grace is one, not of right, that is made to

His Majesty the King and which His Majesty, as the fountain of right, can always grant to his subjects. It is one of the privileges of the crown of England to grant an appeal to the Privy Council when it chooses to do so, even when such appeal does not lie as of right. My right hon. friend must know that, I am sure. And besides, there is the appeal of grace in criminal matters, in which His Majesty can always exercise that prerogative of pardon which everyone recognizes as inherent in the British crown. So that as regards the exercise of the prerogatives of the crown, I would by no means try to curtail them. Of course my right hon. friend knows that this grace is exercised on the advice of the Judicial Committee of the Privy Council, who advise His Majesty in respect of them. So far as that is concerned I would maintain the appeal. I would maintain it also in matters which have reference to our constitutional rights. The tribunal in London may be more independent and more apt to render justice when questions arise with regard to the respective rights of the Dominion or of the provinces. In respect to that, some have quoted the example of the highest tribunals of France and of the United States, and we have pointed out that in those countries even constitutional questions are determined by the highest court in the land. On these three points, therefore, I think we might well correct our constitution with a view to having the Canadian nation conform in this respect to the status, which, it has been urged, she attained following the treaty of Versailles and the various other treaties which were signed thereafter. I do not believe we can fairly boast of being a nation equal to all others until some such changes as these take place; until then we are not equal to the other nations of the world. As to the method of bringing about any such amendment, I fully agree with that set forth in the Speech from the Throne and explained yesterday by the hon. Minister of Justice (Mr. Lapointe) as the only method by which we should proceed in any attempt to give all sections of the Canadian people who entered into the confederation pact of 1867 the right to amend it. As in the case of a contract between private individuals, you cannot change the British North America Act without first convening a conference similar to that as the result of which the act originally came into being.

Mr. H. C. HOCKEN: (West Toronto): Mr. Speaker, I have always had a high opinion of the intuitive qualities of the hon. member for South York (Mr. Maclean), and have regarded him as well able to interpret the sentiment of the people. But I am afraid that his retirement from the field of journalism has somewhat weakened his intuitions.

Mr. MACLEAN (York): But I continue to read the Orange Sentinel.

Mr. HOCKEN: Then, Mr. Speaker, we may look for some improvement on the part of my hon. friend. But on this matter that he has brought before the House I think he has entirely misunderstood or misinterpreted the sentiment of the people of this country. What is all the clamour about, anyway? Is my hon. friend not satisfied that Canada is free? Have we not as much liberty as any nation in the world? Are we suffering because of the present state of affairs? If my hon. friend wants the House to adopt this resolution he ought to be able to show that we are suffering under some disability. I submit that we are not.

Mr. VIEN: If my hon. friend will allow me, does he not know that the Canadian High Commissioner in London is complaining of the inferiority of his status in diplomatic circles there?

Mr. HOCKEN: Well, I do not think the farmers or working men in this country are suffering because of that. If my hon. friend thinks that this country is standing upon its dignity and demanding some kind of recognition for the high commissioner.

Mr. VIEN: If my hon. friend will allow me a correction, it is not so much a question of dignity as a question of practical usefulness.

Mr. HOCKEN: If the present high commissioner is unable to perform his duties properly or usefully as a representative of Canada without some additional recognition, the best thing we can do is to bring him home and appoint a substitute. We never had any such complaints from his predecessors.

Mr. VIEN: Does my hon. friend think that the substitute or the next appointee would do any better if he had the same status?

Mr. HOCKEN: I am not satisfied that this country is suffering because of the status of the high commissioner in London.

Mr. VIEN: We are.

Mr. HOCKEN: I do not see it.

Mr. ARCHAMBAULT: It is a lame joke.

Mr. HOCKEN: So far as I have been able to discover, there are only three or four men in Canada—a very small group, at any rate —who want any change in our constitutional status. There is Mr. J. S. Ewart, who breaks out every little while; and Sir Clifford Sifton, who makes speeches at Rotary clubs, and so on; but apart from those two and my hon. friend from South York (Mr. Maclean), I do not know anybody who is in distress about our present constitutional position. Unless it can be shown that we are suffering in some respects I do not see why we should consider any change.

Mr. MACLEAN (York): Will the hon. gentleman address himself to the Minister of Justice (Mr. Lapointe), who recently discussed this question and said he was going to call a convention for certain purposes?

Mr. HOCKEN: The Minister of Justice points out, as I understand it, that in accordance with the suggestion in the Speech from the Throne a conference of the Dominion and the provinces is to be called to discuss the position of the Senate.

Mr. ARCHAMBAULT: And other matters.

Mr. HOCKEN: Now, is the idea underlying this a desire for the independence of Canada?

Mr. VIEN: No.

Mr. HOCKEN: Will my hon. friend (Mr. Maclean, York) answer that?

Mr. MACLEAN (York): I will answer it, yes,

Mr. HOCKEN: Now?

Mr. MACLEAN (York): Right now—no, I am in favour of giving to Canada complete autonomy in her own affairs by her having a voice in the making and in the interpretation of her constitution, within the bounds of her connection with the British Empire. The more freedom you give Canada in that way the stronger she will be within the empire.

Mr. HOCKEN: I am unable to see that our freedom is in any way restricted under the present conditions. If my hon. friend does not want Canada to become an independent nation so that we can send our own ambassadors to Paris, as has been suggested, at enormous cost to this country—a cost which is at present met out of the imperial exchequer, affording a service which is just as good as that which could be given by any person we would send—if he does not want Canada to be independent, why bother about this proposed change? Up to the present time the British North America Act has answered very well in this country. I cannot recall any attack that has been made upon it as insufficient to meet the needs of Canada. We must remember that this was an act that the Imperial government passed in order to establish harmony in this Dominion. We had three different groups in Canada, all under different governments, and by this time we would have had four or perhaps five had the confederation not taken place. The British North America Act was passed to harmonize the groups that then existed and to start Canada on its way to nationhood within the empire. I submit that it has accomplished that purpose, and accomplished it better, perhaps, than any instrument that can be cited as a parallel in any part of the world. That being the case, why should we now begin an agitation to destroy the existing conditions and introduce something which in my judgment would be a greater cause of friction and inharmony in Canada than the British North America Act? If we want our constitution amended at any time we can have that done. We have had the act amended every time we have asked for it, and we can have it amended again in any particular at any time we ask for it. We are not tied down by some ironclad agreement that cannot be amended if the country as a whole desire to amend it. And if we had this new constitution it would not be right to amend it by the bare majority as my hon. friend suggests. That certainly would not lead to the continuance of harmony and good feeling throughout this country. I object on principle to the proposal of the resolution that these two houses of parliament can at any time amend our constitution by a majority. I think that would be a dangerous thing to do. We must remember that we have in the Maritime provinces, in the western provinces, and in Quebec and Ontario, views that are widely divergent, and if by reason of a preponderance of members from one particular section, say the west, the constitution could be amended to the disadvantage of the Maritime provinces, as the people of those provinces might consider, then we would have a state of friction in this country that would be dangerous and that might lead to something a great deal worse than anything that is possible under present conditions. In the United States they can amend their constitution only if two-thirds of the states by a two-thirds majority agree to it. The most substantial safeguards are provided there against amending their constitution. There should also be safeguards in this country, and the

very best safeguard we can get is to make it requisite for this country to go to the imperial authorities under whom we live and move and have our being as a nation, and let them act as arbitrators in whatever it is desired to do in Canada in the way of changing our constitution. Give Canada the right to change its constitution by a majority of these two houses of parliament, as my hon. friend proposes, and limit that as you will, provide as does this resolution that parliament would have no power to affect the rights of minorities, put that limitation in to-day, and there is no certainty, there can be no certainty, that that would be the limitation of the future. Give Canada the right to amend its constitution partially, and Canada will soon demand the right to amend its constitution wholly.

Mr. McMASTER: Why not?

Mr. HOCKEN: I object to it to this extent. My hon. friend from South York put in that limitation, and why he put it in I think the House can easily appreciate, but I am pointing out that that limitation is of no value. It might be at the moment, but it could not possibly be permanently, so he might as well wipe out that limitation and let the resolution read that Canada would have the right to amend its constitution in any and every particular. Within the limits of the proposed resolution, this House with the Senate could change the representation in parliament. There is nothing in the resolution to prevent that. This House and the Senate might some day say: We will make the representation from the province of Quebec fifty or forty, and the other provinces in proportion. Where would that land the Maritime provinces? It would give them a substantial grievance. Their representation, and their influence in this House, would be reduced enormously, and they would be able to say with justice that the arrangement upon which they joined in the Canadian confederation had been violated. They would have a distinct grievance which they might take to the imperial authorities, and perhaps they would ask for separation from this Dominion of Canada. It would certainly be to them a greater grievance than any they have had in the past or are likely to have under existing conditions.

Mr. CRERAR: Are the Maritime provinces guaranteed under the British North America Act any right to a specified number of representatives in this House?

Mr. MEIGHEN: In the Senate.

Mr. CRERAR: I mean in this House.

Mr. HOCKEN: They are guaranteed this: The representation of Quebec is sixty-five, and the Maritime representation is in the same proportion to their population.

Mr. CRERAR: The same as all the other provinces.

Mr. MACLEAN (York): They could not be deprived of their representation.

Mr. HOCKEN: Under this proposal they could. I think you would be able to change the representation in this House, as part of our constitution, under the resolution of my hon. friend, and while the Maritime provinces have twenty-nine representatives under existing conditions, and Quebec sixty-five, if you made the unit for Quebec thirty-five the Maritime provinces would then get only fifteen representatives. Instead of being represented on the floor of this House by twenty-nine members who could speak for them, they would have only fifteen members.

Mr. CRERAR: And Ontario only forty-one.

Mr. HOCKEN: Ontario proportionately lower, just so. That would be a grievance you would hear about from the provinces down by the sea. At the present time they do not think they are getting all they expected to get when they entered confederation. I think we will have to be careful about giving them any more substantial grievance. We have had from the west some talk of secession. My hon. friend from Springfield (Mr. Hoey) and my hon. friend from Qu'Appelle (Mr. Millar) are both on record in different places that there is a strong sentiment in favour of secession there. Will the right to change our constitution remove that? If there is any such sentiment there, and I am inclined to believe it is very much less than reported, it is not due to the fact that Canada cannot change its constitution, it is due entirely to what my hon. friends think are economic grievances. So if that sentiment exists, it is not going to be removed by anything that can be done under the proposal of my hon. friend from South York. The only effect, as I see it, of his proposal is to give aid and comfort to the enemies of the British Empire.

Some hon. MEMBERS: Oh, oh.

Mr. HOCKEN: Some of my hon. friends laugh at that. They may not agree with me, but I am of the conviction that the British Empire has enemies in this world.

Mr. MORIN: Is Australia less loyal to the British Empire than we are?

Mr. HOCKEN: I do not know that they are.

Mr. MORIN: They have power to amend their constitution.

Mr. HOCKEN: I am not saying that any part of the empire is less loyal than we are. I am saying that outside of the empire there are enemies of the empire, and a proposal of this kind would appear to them as being the first step towards the cutting off of this Dominion from the commonwealth of nations which gives the empire its strength. For us to do such a thing would in my judgment be most injurious to imperial interests throughout the whole world.

Mr. MACLEAN (York): Would the hon. gentleman abolish the preferential treatment given to England in our tariff?

Mr. HOCKEN: I am not talking tariffs just now.

Mr. MACLEAN (York): As I see it, the hon. member is going to support that preferential treatment and smash the empire, according to his ideas.

Mr. HOCKEN: I will talk preferential tariff when the budget comes up.

Mr. MACLEAN (York): Talk about the question you have raised.

Mr. HOCKEN: I am doing so.

Mr. MACLEAN (York): Follow it up.

Mr. HOCKEN: I say to my hon. friend that his proposal would be injurious to the empire and to Canada as well. I believe that the highest and best destiny for Canada is to be a part of the British Empire, not only now, but when she has double or treble or ten times her present population. I believe that Canada can make greater contributions to civilization as a part of the empire than under any other status. All hon. members will admit that the British Empire has made—I was going to say the greatest—contributions to civilization of any nation, but perhaps I ought to be considerate of some of my hon. friends opposite who have another mother country, and say that her contributions have been enormous. She has given free institutions to the world. She has developed them, and they have been copied by practically every other country. I am of the opinion that here in Canada we will in time by the admixture of the English, Irish, Scottish, French, and other blood develop a race of men that will be just a little superior to the race of the Old Land, and that as a result of our growth, individually and as a nation, we will be able to aid in the development of a higher civilization to a greater degree than even the Mother Country has done. The Canadian breed has shown what it is capable of doing in the war, and the Canadian people in civil life have never given a greater demonstration of their endurance under difficult conditions than they are doing to-day. So that whether it is in war or in civil life Canadians have the right to hold up their heads as among the most enduring, the most intelligent and, I think perhaps, the most capable of the nations of the world. We cannot be regarded in the light of slaves, or serfs, or anything of that kind; Canadians demonstrated that in 1837.

Mr. BEAUBIEN: When the blood of the French and other nationalities becomes intermixed would my hon. friend be willing to have the French language taught in all the provinces of Canada?

Mr. HOCKEN: Mr. Speaker, if it were necessary I could make an extended speech on that subject. But it will be sufficient, perhaps, to inform my hon. friend, if he is ignorant of the fact, that French is taught in every province of Canada. In reply to his question I have nothing more to say than that. Returning to my subject let me say that I believe Canada has more to gain, and that the empire has more to gain, by Canada's continuance in that empire, rather than by a change in a contrary direction. Our continuance in it, year by year and with every decade that passes, will strengthen that empire, and I do not see any reason why we should turn now and take the first step in the direction of independence unless we are suffering from difficulties that cannot be remedied otherwise.

Mr. MACLEAN (York): I rise to speak on the amendment—

Mr. SPEAKER: Order. The hon member for Marquette has the floor.

Hon. T. A. CRERAR (Marquette): Mr. Speaker, the question which we are discussing is one of the most important, that could be brought before us. We could discuss tariffs, we could discuss financial matters, we could discuss estimates and the ordinary bills that come before this House and still remain within the realm of matters that are purely domestic, matters which by common consent can be changed as soon as the will of the parliament is made apparent to that end. But the question that was raised by the hon. member for South York (Mr. Maclean) in the motion before us touches the very life of the nation, it goes to the very core of our national being,

and for that reason it is a question of first importance.

I must confess that in listening to my hon. friend from West Toronto (Mr. Hocken) and to my hon. friend from West York (Sir Henry Drayton) I felt that they must have been very much in the realm of dreamland during the last ten years.

An hon. MEMBER: Rip Van Winkle.

Mr. HOCKEN: Pretty serious dreams.

Mr. CRERAR: The fact is that Canada has moved forward tremendously in the last fifty years. Those of us who have read history know the circumstances in Canada that brought about the confederation of the then existing provinces. I quite agree with the argument advanced by the Minister of Justice (Mr. Lapointe) yesterday that the confederation pact was in the nature of a treaty. It was the result of different provinces getting together and agreeing upon a solution that would lead them out of their difficulties. But while that was one of the reasons behind the confederation understanding or agreement in 1867, there was also another aspiration behind it, and it was voiced, perhaps most strongly, by the great architect of confederation, Sir John A. Macdonald, for in large measure he was the architect of confederation, even if he could not claim credit for originating the idea. And what was that aspiration? At that time we had on the northern part of the North American continent several distinct governments—crown colonies if you like, crown colonies, I mean, in the sense that while they enjoyed in very considerable measure the right of governing themselves, they were, so far as their relations with each other were concerned, completely isolated. And one of the most important, one of the strongest ideas behind the whole conception of confederation was that these several provinces might be united in one whole and form a nucleus for a nation on the northern half of North America. That hope is set out frequently in the confederation debates: and the notion that Sir John Macdonald had, the notion that the other Fathers of Confederation had, that they were laying the foundation for the establishment of a nation, a free nation, in North America, has simply been carried forward from that time until this. And we have made great advances Mr. Speaker, as I hope I shall presently show, in the fifty-six years that have elapsed since confederation.

Now what are the advances that we have made? In the first place let me say that these advances have come mainly, though not altogether by any means, within the last ten years, since the outbreak of the Great War in 1914. First, we raised an army, an immense army. We sent that army overseas, and it fought under the direction and under the control of the Canadian parliament. It was known as the Canadian army. It was not thrown in as part of the British army, nor was it recognized as part of the British army throughout the whole war. The second thing of even greater import that occurred was the fact that Canada claimed the right—

Mr. MEIGHEN: Does my hon. friend say that the Canadian army was not under the same directing force as the British army on the field of battle?

Mr. CRERAR: It was under the same directing force as the British army at first, and later, like the rest of the allied forces came under the one control.

Mr. McMASTER: Paid by the Canadian parliament.

Mr. MEIGHEN: It certainly was part of the British army.

Mr. CRERAR: In the same sense that the Australian and French forces were part of the allied army.

Mr. McMASTER: And paid by us.

Mr. CRERAR: The second point I come to is that when the treaty of Peace was negotiated at Versailles, Canada's representatives sat at the conference and signed that Peace treaty on behalf of this Dominion. Is there anyone in his senses who would assert that that was in contemplation at the time confederation was achieved? There is nothing on the record, so far as I have been able to find out, that would support that view.

We have made further progress. In 1919, as a result of negotiations between Sir Robert Borden, who was then Prime Minister of Canada, and the British government—and it is well known the question was taken up at that time with the United States—Canada secured the right to send to the United States an ambassador who would handle all matters affecting Canada at the capital of our great neighbour to the south. I ask again, was that contemplated when the confederation pact was established in 1867? Another step forward has been taken since then, when my hon. friend the Minister of Justice, clothed with power from His Majesty, went to Washington and negotiated with the United States a treaty covering the halibut fisheries on the Pacific ocean,—a treaty that has since been ratified by both this parliament and the United

States, and which binds only these two countries. That is another evidence of progress in the matter of nationhood. All the evidence, Mr. Speaker, goes to prove beyond any question of doubt that we have advanced beyond the state we were in in 1867, when the four provinces with organized governments in what is now part of the territory of this Dominion were brought together.

When I come to the resolution of the hon. member for South York (Mr. Maclean) I say at once that I agree wholly with the purpose he has in mind. I think this country has risen to the state and the dignity, not only in the estimation of the people of Canada, but in her relations with the outside world, where we should have the right under certain conditions which I shall presently mention, of fixing and determining our own constitution. I do not agree with the method my hon. friend suggests. I do not think for a moment that it would be wise—and in this I quite agree with the objections raised by my hon. friend from West Toronto (Mr. Hocken)—to leave the question of amending our constitution to an open vote in this House or in the other branch of this parliament.

Mr. MACLEAN (York): Would the hon. gentleman expect a skeleton motion to be in the form of a detailed constitution?

Mr. CRERAR: No, but my hon. friend points out very definitely the plan he proposes to follow in securing the object he has in mind, and I would much have preferred if my hon. friend's resolution had simply been in a form to assert the right of the Canadian people to amend and change their own constitution under certain safeguards and certain conditions.

My hon. friend the Minister of Justice yesterday argued that confederation was in the nature of a treaty, and I agree with him in that assertion. That being the case, his suggestion that the matter be approached through the avenue of a conference with all the provinces is the first step that should be taken in dealing with it. It is quite clear that in any consideration of this matter we must be governed by the circumstances of our situation. I can quite appreciate the anxiety, or, shall I say, even the fear, that my hon. friends from the province of Quebec may entertain as to the position which that province would be in in respect of the peculiar rights it enjoys under the constitution today, were we placed in the situation in this country where the constitution could be amended by the ordinary means of majority rule. Consequently I wish to state very clearly upon that matter that, in my humble opinion, the safeguards that our French Canadian fellow-citizens enjoy to-day under the federation arrangement should absolutely and irrevocably be provided for and maintained. There is no fair-minded person in the whole Dominion of Canada, I am convinced, who would wish for a single moment to deny them that right. I am convinced that a way can be found whereby the rights enjoyed by our French Canadian citizens which they naturally hold very dearly, can be safeguarded and the fullest protection given to them in that regard. We frequently ask ourselves the question—and, Mr. Speaker, let me point out that not only do Canadians ask themselves the question, but other countries are also commencing to ask the question—is Canada a nation? And notwithstanding the eloquent speeches delivered by my hon. friend for West Toronto and my hon. friend for West York we cannot escape giving an answer to that question. I dissent wholly from the view expressed by my hon. friend for West York and the view expressed by the hon. member for West Toronto that any suggestion that Canada be given the power to amend her own constitution is evidence of disloyalty to the Motherland. Sir, I resent that argument.

Mr. ARCHAMBAULT: It is the old argument.

Mr. CRERAR: Yes, but I resent it.

Mr. HOCKEN: So far as I am concerned, I did not say that.

Mr. MACLEAN (York): What did you charge me with?

Mr. CRERAR: I certainly, Mr. Speaker, would be the last man in this House to impute to my hon. friend for West Toronto anything I should not impute, and I think he appreciates that fact. But in one of those eloquent periods in my hon. friend's speech, he argued that we should not support the motion of the hon. member for South York (Mr. Maclean), not because he disagreed with the method, but because he disagreed with the principle of it.

Mr. MACLEAN (York): And the consequences of it.

Mr. CRERAR: He said: This will be the first step in breaking Canada away from the Motherland. Further, he dwelt upon the imperial authorities where we have to go to safeguard all the liberties and privileges that we enjoy at present, the imperial authority, he said, under which we live and move and have our being. I do not for a moment agree

with my hon. friend in that respect. It is not disloyal to discuss a question that is of vital moment to the development of this nation. I like to think of Canada as a nation; I like to visualise the idea that we are going to grow as a nation, as a Canadian nation. I want to hear "O Canada," sung in every school in Canada from the Atlantic to the Pacific. And I say to the hon. member for West Toronto and those who agree with him, that when I say that, I am not disloyal to Britain or British institutions. After all, what are the ties that bind us to the Motherland? They are not the ties of statutory enactments. Those ties are the weakest kind of ties that can hold this empire together. Those in Canada or elsewhere who rely upon statutory enactments to hold this empire together are building on the sand. What is it that binds us to the Motherland?

Mr. McMASTER: Liberty.

Mr. HOCKEN: God Save the King!

Mr. CRERAR: God Save the King, yes, if you like. But more than that: there is a common language; there is the fact that we derive our parliamentary institutions, our whole system of jurisprudence, our literature, our art—everything that we have that makes life worth while, from the Motherland. I agree wholly with the remark made by the hon. member for West Toronto, that the greatest contribution Britain has made to the public life of the world is the spirit of free institutions she has given to the world. Those are the ties which hold Canada to the Motherland and that will hold the different parts of this far-flung British Empire together.

Mr. MEIGHEN: My hon. friend has recited the ties which, he says, hold Canada to the Motherland. Do not all of those ties also bind the United States to the Motherland?

Mr. CRERAR: No.

Mr. MEIGHEN: Which one does not?

Mr. McMASTER: Most of them do, and should.

Mr. CRERAR: As a matter of fact, I think that in the relationships of the United States and the Motherland, blood is thicker than water and has proved so and may prove so again. The fact that the United States draws its traditions of parliamentary government, of justice, of literature, from British institutions and ideals, is a link that binds the United States also in a degree that other nations are not so bound to the British commonwealth of nations.

Mr. JACOBS: It was because Great Britain refused to recognize the wider form of constitution which the United States desired that the latter became an independent nation.

Mr. CRERAR: My hon. friend is quite right.

Mr. MEIGHEN: Who is refusing Canada anything?

Mr. JACOBS: It was just an interjection.

Mr. CRERAR: There is just one other point that I wish to make, as I do not desire to participate now at any length in the debate, as a matter of fact, I had scarcely expected to take part in it, but I could not sit in my seat and listen to the arguments of the hon. member for West Toronto without challenging them. What are we in Canada? We are all good Canadians who want to see this country prosper. We realize the economic and financial difficulties which the country is passing through. We realize the difficulties in government, in maintaining a national unity, that arise from our geographical conditions and also from the—shall I say? —mixed character of our population. We have the great province of Quebec, with its three million French-Canadians, as loyal and fine a class of citizens as we have in the Dominion. We have the citizens of Canada of Anglo-Saxon origin. We have, in addition to that, hundreds of thousands of citizens, people who have come to this country from alien lands to make their homes here, to grow up and develop as Canadians. What is the thing that will best draw all these elements together? Is it not some pride in a national spirit, some conception of a national entity? Can you develop that under any conditions of inferiority? I submit it is a condition of inferiority that the Canadian people of their own free will, cannot amend their own constitution without reference to another authority. What is the position of Canada in the outside world? Where is Canada's status internationally to-day? We send our representatives to the League of Nations, where they sit in and discuss questions on a basis of absolute equality with representatives of all other nations of the world who are present at that conference.

Mr. HOCKEN: What more does the hon. member want?

Mr. MACLEAN (York): What Australia has to begin with.

Mr. CRERAR: We are in the position that we claim our right to sit in the League of Nations and we are regarded internationally as an inferior state. Consequently for the purpose of building up a united Canada. of creating a national spirit, of making this Dominion what we all wish to see it become, I am strongly and heartily in support of the principle of the motion advanced by the hon. member for South York, although I do not agree with the methods by which he proposes to achieve the object he has in view.

Mr. L. J. LADNER (Vancouver South): Mr. Speaker, I have had occasion to give some little thought and study to this particular question and that is why I participate in this debate this afternoon. The question is an extremely complicated one, and any member of this House who has taken the trouble to study the constitution and development of Canada and of Great Britain must realize the difficulties encountered in an effort to pass a resolution of this kind which embodies the terms of an amendment which it is sought that the Imperial House should pass concerning our constitution. When confederation was brought about, three important resolutions were passed at the Quebec conference in 1865. They are of sufficient importance and so fundamental to our constitution that I propose to read them, particularly as they are short. They state, with reference to the North American provinces:

1. The system of government best adapted under existing circumstances to protect the diversified interests of the several provinces, and secure harmony and permanency in the working of the union, would be a general government charged with matters of common interest to the whole country, and local governments for each of the Canadas, and for the provinces of Nova Scotia, New Brunswick and Prince Edward Island, charged with the control of local matters in their respective sections.

2. In framing a constitution for the general government, the conference, with a view to the perpetuation of our connection with the Mother Country, and the promotion of the best interests of the people of these provinces, desire to follow the model of the British constitution so far as our circumstances permit.

3. The executive authority or government shall be vested in the sovereign of the United Kingdom of Great Britain and Ireland, and be administered according to the well-understood principles of the British constitution, by a sovereign personally, or by the representative of the sovereign duly authorized.

There is one feature of this debate which I do not think has been emphasized and it is vital to the consideration of the resolution before the House. The hon. member for Brant (Mr. Good) touched on it lightly. Our constitution involves not only the British North America Act, which is the written or fixed or inflexible portion of our constitution, but the unwritten part of our constitution. In other words, our constitution comprises the written portion, which is the British North America Act and which is specific, and the unwritten portion, which we find in such institutions as the cabinet. In the government and constitution of this country, we have in practice precedents, conventions and understandings that you will not find anywhere in the British North America Act. Take, for example, the institution of the cabinet. You will not find that word written anywhere in our constitution. You will not find the word "cabinet" in the British constitution, yet it is the governing and controlling factor in the government of this country. Supposing, for example, that there was an adverse vote in the House, what would follow? There is no law to oblige the government to resign, but the precedents and understandings of our constitution make it necessary. But if the government in the face of such adverse vote was refused supply and still endeavoured to enforce by act of parliament the collection of taxes, the courts of the land would be available to enable our citizens to refuse to comply with such an attempt.

The cabinet is the central pivot of responsible government.. It dates back in Great Britain to the time of Charles I. Before then the cabinet had been responsible to the king but through the efforts of the Cabal of that day the responsibility was shifted, and the ministry was made answerable to parliament. Some may not know that in Canada cabinet responsibility to the legislative institutions of the country did not become a fact until 1842. Prior to that date the cabinet was responsible to the Governor General. So that in the course of the constitutional development of this country there have become embodied in the constitution fictions, conventions, precedents and understandings which have all had a practical part in the government of the country. Now the resolution which is before the House proposes to alter the written portion of the constitution, that portion which has been enacted by the Imperial parliament. And as one speaker after another has indicated, that enactment did not originate with the Imperial government, it was not something super-imposed upon this country, but was an understanding or agreement arrived at between the component parts of the British North American provinces which entered into confederation. This fact is clearly expressed in the preamble to the act:

Whereas the provinces of Canada, Nova Scotia and New Brunswick have expressed their desire to be federally united into one Dominion under the crown of the United Kingdom of Great Britain and Ireland, with a constitution similar in principle to that of the United Kingdom.

In that principle you have the unwritten portion of the British constitution, the flexible portion which proves so practical and useful in every dominion wherein it can be adapted to the peculiarities of race and people concerned. And the fourth paragraph reads:

And whereas it is expedient that provision be made for the eventual admission into the union of other parts of British North America—

You have, therefore, in this paragraph a very clear statement or understanding of the situation and we cannot as a Canadian parliament change our constitution and pass legislation of the kind proposed, even with the suggested amendment, which provides for the consent first of all the provinces. I submit that the complications are too numerous and the problem is too wide for us to undertake anything of the kind at this time. I am sure that hon. members must be fully sensitive to their duty and responsibility to precipitate an ill-considered debate on this subject at this juncture. The present discussion will be reviewed from one end of the empire to the other, and it would be distinctly unwise for us to jump to any hasty conclusion in dealing with this question. I think we would be rash in approving a resolution which is uncertain in its terms and indefinite in its meaning. I would ask the House to refer to the resolution for a moment. It provides:

The parliament of the Dominion upon first obtaining the consent of the provinces may amend the said British North America Act when it may see fit to do so, but it is not empowered to pass any amendment affecting the rights guaranteed in said act to minorities.

Does this mean that every specific amendment would have first of all to be approved by the provinces and then submitted to this parliament? Or does it mean that a general power of amendment would first have to be approved by the provinces before being submitted to parliament? Some hon. members nod their heads to the second proposition. But the question is, which is the true interpretation of this proposed bill which seeks to change the constitution under which we have been operating since 1867? Which is the true proposal? I submit that as soon as you undertake to place before the provinces of Canada a proposed amendment such as is set out in this resolution you will create endless confusion. I am convinced that interminable discussions would arise which would prove adverse to our interests. There would be speculative debates on theories of our international relationships and the relationships of this country with the Mother Country, to say nothing of a number of other problems which would follow in consequence. At this time when the nations of the world are suffering economic distress, when there are grave troubles in Europe and elsewhere, when Canada itself is faced with a great national debt, a huge railway problem, and economic difficulties of a severe nature, it would be exceedingly unwise to open a question of this kind, especially since it has not been shown in one single statement that there is any demand for the action which the resolution proposes, or anything to warrant such a change.

5 p.m.

When we broach the question of amending our constitution by changing it only in part, that is to say, the written portion of it, we are at once in the realm of international relationships; not only is our relationship with Great Britain involved but our international relationships are also brought to the forefront. There has been a gradual development of our position in that respect, and I would commend to the attention of the House a little book of Sir Robert Borden's entitled Canadian Constitutional Studies. From that book it will be seen that in 1917-18 Canada in fact obtained the recognition of the principle of nationhood and complete autonomy in the empire. I quote the following from page 111:

During 1917 and 1918, the Imperial War conference also proceeded with its deliberations. Its most important discussion in 1917 was concerned with the question of future constitutional relations and resulted in the following resolution:

"The Imperial War conference are of opinion that the readjustment of the constitutional relations of the component parts of the empire is too important and intricate a subject to be dealt with during the war, and that it should form the subject of a special Imperial conference to be summoned as soon as possible after the cessation of hostilities.

"They deem it their duty, however, to place on record their view that any such readjustment, while thoroughly preserving all existing powers of self-government and complete control of domestic affairs, should be based upon a full recognition of the dominions as autonomous nations of an Imperial commonwealth and of India as an important portion of the same, should recognize the right of the dominions and India to an adequate voice in foreign policy and in foreign relations, and should provide effective arrangements for continuous consultation in all important matters of common Imperial concern, and for such necessary concerted action, founded on consultation, as the several governments may determine."

I propose to read a few of these sections because they are the words of a great authority on the subject and have a bearing on the resolution in question.

This resolution establishes the basis of future co-operation; it gives clear recognition to equality of nationhood between the dominions and the Mother Country; and it marks one of the most important, and possibly one of the final stages in the evolution of constitutional relations within the British commonwealth. In 1921 the same principle was re-asserted. Lord Milner, speaking on this important matter in

1920 before the representatives of the overseas dominions, emphasized the same view in these words:

"The only possibility of a continuance of the British Empire is on a basis of absolute out-and-out equal partnership between the United Kingdom and the dominions. I say that without any kind of reservation whatsoever. It is very easy to say that; but undoubtedly the working out of it in practice without bringing about the severance of relations between us and the dominions will be one of the most complicated tasks which statesmanship has ever had to face. I am not afraid of it, and yet I have to admit that the difficulties are such that our best efforts may end in failure. I hope not. At any rate, there is no other way out.

At a later stage the powers of the Dominion with respect to treaty making had developed, and I again quote the words of Sir Robert Borden, which summarize the situation very nicely:

A further development relates to the signature and ratification of the various treaties concluded at the conference. In view of the new position secured, and of the part played by the dominion representatives at the peace table, it was considered that the treaty should be signed by dominion plenipotentiaries, and should be submitted for approval to the dominion parliaments. Accordingly the Prime Minister of Canada proposed that the assent of the King as high contracting party to the various treaties should, in respect of the dominions, be expressed by the signature of dominion plenipotentiaries, and that the preamble and other formal parts of the treaties should be drafted accordingly.

The treaty making power of the Dominion is not a new one. Then we gained a new position in the League of Nations. Sir Robert Borden says:

The new status of the Dominion is manifested again in the constitution of the League of Nations. Having gained at the Peace conference the position of "powers with special interests" the dominions took the ground that they should be similarly accepted in the future international relationships contemplated by the league. The League of Nations Commission, while inclined to admit this position in principle, did not at the outset accept all its implications. . . . In its final form, as amended and incorporated in the treaty of Peace with Germany, the covenant fully recognizes the status of the dominions.

Now, I want to draw the attention of the House to another point which is interwoven with this question of amending our constitution. As soon as you enter upon the programme of changing the British North America Act, apart altogether from the relationship of one province with the other you have the great question of Canada's relationship to foreign countries and a number of other far-reaching problems which should also be considered. I suggest to hon. members that before giving their approval to the resolution that has been proposed or the principle which it involves they should consider this matter in the light of the conditions which confront the country and from the practical point of view.

What is to be gained by passing a resolution of this kind? There are no practical

questions out of which this proposal has arisen. All that can result is discussion and controversy from one end of Canada to the other on the question of loyalty to Canada's relationship to the empire and things of that kind. Here we are assembled with extremely grave and important questions of a practical nature confronting us. I referred to them a moment ago—our taxation, our railways, our economic difficulties, the tariff, if you will, and so on. What is to be gained by this resolution, beyond some political effect in some parts of Canada, an effect which may carry with it the arousing of feelings of prejudice and the expression of likes or dislikes in different sections of the country?

I believe this resolution should be refused by the House. If the government are serious in announcing their intention to bring down legislation calling upon the provinces to consider the matter of the amendment of our constitution; if it is not merely a political intention, then when they bring down that legislation I hope they will be able to submit something of a substantial character in the way of a demand from some section of the country for such a change in our constitution as is proposed. For my part I cannot but believe that the problem is fraught with too grave difficulties. The history of the development of our constitution is such that the man of business should hesitate at this juncture, having regard to the conditions in the world generally. I heard Mr. Ewart give a most interesting discussion of conditions among the countries of Europe and an outline of how the nations of the world had been chopped up as a result of the war, how the elements of conflagration exist in many parts of Europe. With all these national and international questions of a practical nature awaiting solution, why should this House occupy its time in the discussion of such a resolution as my hon. friend proposes?

Mr. WILLIAM IRVINE (East Calgary): Mr. Speaker, the question before the House in undoubtedly one of very great interest. Though I have given it some consideration and have some opinions upon it, I refrain from giving those opinions now for the simple reason that I have been assured, and I think rightly, that this parliament has no power to do what I or anybody else might think it well to do in regard to our constitution. We have been assured by the authorities on constitutional law—and I think this is the attitude they take so far as they have spoken in this House—that the British North America Act is a sacred compact and that it cannot be altered

by this parliament alone; that if an alteration is to be made all the parties to the pact must first be consulted and their consent to the change obtained.

In the Speech from the Throne there is an announcement that a conference is to be held at which representatives of all the different parties to the compact known as the British North America Act are to meet. It has been suggested by the hon. Minister of Justice (Mr. Lapointe) that the issue involved in this resolution would be a proper question for that conference to consider. In view, therefore, of these considerations, I move, seconded by the hon. member for West Edmonton (Mr. Kennedy):

> That the following words be inserted after the word "minorities" in the second paragraph of the resolution: "and that, before further action be taken on the proposed resolution, the same be referred to the conference proposed in the Speech from the Throne for consideration and recommendation."

Mr. HERBERT MARLER (St. Lawrence-St. George): Mr. Speaker, at the commencement of this discussion I had no intention of taking part in it, but several matters have come up in the course of the remarks of hon. members, particularly as regards the province of Quebec, and it seems to me that one should have these matters well in mind before even suggesting that the resolution now before the House should be submitted to a conference as is proposed.

It seems to me that those who have discussed this resolution particularly some hon. members from this side of the House, have utterly failed to remember what were the circumstances of history and what were the facts which led up to the British North America Act of 1867. While perhaps many hon. members in this House may recall to mind those facts, I do not think it would be very much amiss if I, in the very few minutes I propose to take part in this discussion, should ask particularly those gentlemen from the province of Quebec to bear those facts in mind, because they are very salient indeed, and are very germane to this resolution we are discussing to-day, indeed, very germane to any question of conferences which might take place in the future apropos of any amendments to the British North America Act.

What are those historical facts leading up to the enactment of the British North America Act? Our first constitution in this country was the Quebec Act of 1774; I am speaking from memory as regards dates. That act took in, as I am very well aware, a great stretch of country running westward almost to the Missouri river. The limits of that country were changed by the treaty of Versailles in 1783, which made the westerly limits of what was then the province of Quebec the Great Lakes. After that we come down to the Constitutional Act of 1791, which divided the two provinces of Canada into Upper and Lower Canada. That act ran its course. Various matters came up in the administration of this country, ideas were engendered between the two races, and the culmination of this act of 1791 was the fight for responsible government in 1837. That was the result of the Constitutional Act of 1791.

Then we come down to the Act of Union in 1841, which brought the provinces of Upper and Lower Canada into one province, as the result of the Durham report. There again we found all kinds of difficulties brought up and ideas engendered between the races, ideas of religion, ideas of representation by population, and half a hundred other questions, until finally responsible government absolutely broke down. The suspicions engendered between the provinces and between the races under the Act of Union of 1841 were such as to render it utterly impossible for this country to proceed in any normal sense of the word with government at all. Out of all those difficulties that took place issued the Quebec resolutions. Those same difficulties took place in the Maritimes also. There also they decided they wanted a union, and the conference at Charlottetown took place, to which conference certain delegates went from Canada, and those delegates subsequently joined together at the Quebec conference, and it was from the Quebec conference that the Act of Confederation of 1867 was brought about.

Coming as I do from the province of Quebec I would like my hon. friends from that province to bear in mind these historical facts which brought about our Confederation Act. I would like them to bear in mind also the various difficulties and the various safeguards that were provided as regards our own province of Quebec. That is an extremely important matter for them to remember. I am of the province of Quebec. I live there with my French-Canadian compatriots in peace and harmony, and I say this; there is nothing so far as I can see in the British North America Act that can be changed to assist us in the very least in the province of Quebec in particular, to say nothing of the rest of Canada.

I listened with a great deal of pleasure this afternoon to the speech of my hon. friend from Marquette (Mr. Crerar). He stated among other matters that we should have the right to fix our own constitution. I assume he meant by that the fixing of our

constitution for interior matters only; he could have meant nothing else at all. We cannot fix our constitution for exterior matters in any respect, but as regards exterior matters I will speak in a moment. I would ask in what way, and with what advantage, can we change the act at present in force? Where will any province be assisted? You can imagine how a province might be injured in many ways. You can well imagine in the event of a conference taking place, and in the event of various opinions coming forth at that conference, that matters might happen in such a way as to reopen very many of these selfsame questions that came up at the Quebec conference, and which were settled by compromise at the Quebec conference itself, and as a result of which the British North America Act came forth. I repeat, what advantage is to be gained by any province by trying to give ourselves here in this parliament the right to change the act which was the result of compromises of a most severe nature, compromises which were the result also of events which took place and which led up to that conference, events of a most serious and foretelling nature.

My hon. friend from Marquette in his very masterly way also said that it was vital for the development of this nation that we should have the power to amend our constitution. I fail to see how this nation can be developed in the slightest degree by amending from the interior our own constitution. As a matter of fact, this nation was built up under that very constitution. That constitution has been the very cornerstone of all the rights of the various provinces within the nation. Nothing can be added to the rights of the provinces by amending that constitution, but something may be taken away. What assistance, what increment can be given to the provinces? No one in this House will venture for one moment to suggest that anything can be given to a single province by undertaking, ourselves, from the interior, to amend our constitution; but on the other hand we can very easily imagine that some particular province will have some particular right taken away from it, providing the majority on the other side so desire. Where, therefore, is the gain in so far as the vital development of our nation is concerned by our having the right to amend our own constitution?

Mr. GOOD: Would my hon. friend contend that no province is at all interested in the reform of the Senate?

Mr. MARLER: No, I do not contend that at all. What I do contend is this, that perhaps the reform of the Senate is a very minor item compared with what might happen by throwing into the melting pot again the British North America Act. By deciding to submit to conferences and to the rule of the majority results might happen which would be far more serious to any province than having the Senate go forward in its present way.

Mr. GOOD: Can we not trust ourselves?

Mr. MACLEAN (York): Can no constitution anywhere be thrown into the melting pot? Must all constitutions remain fixed for all time?

Mr. MARLER: Certainly they are not fixed for all time; there is no question about that at all, but I fail to see anything that has been brought up in the course of this debate, outside perhaps of what my hon. friend for Brant (Mr. Good) has said, and which may be a source of discussion, I freely admit—I fail to see one single point that any member has brought up that would show we were suffering any injury as a whole by reason of the British North America Act. On the other hand, I do say that a province may suffer grave injustice and grave injury at the hands of the majority in the event of the British North America Act being reopened.

Then my hon. friend from Marquette spoke about the pride of national spirit. Well, I cannot understand how the right to amend the British North America Act will in any way assist in strengthening the pride in national spirit.

Another question which has been brought up in the course of this debate is whether we are or are not a nation. We are a nation for interior purposes. We might as well make up our minds immediately that we are not a nation for exterior purposes. If we are a nation for exterior purposes we have to make up our minds to undertake the responsibilities which that status involves; and if we want to call ourselves a nation, both from an interior point of view and an exterior point of view, we have not only got to provide for defence from the interior viewpoint but undertake an active part in offence from the exterior viewpoint. Are we prepared to do that? I do not think we are at the present time.

Then there were the various points my hon. friend the member for Lotbiniere (Mr. Vien) brought up in his remarks as to whether the high commissioner should be representative in this way or representative in that way, or whether we should be represented by an ambassador. Of what advantage would this be to us? Are we not better employed in

minding our own business in this country, in building up this Dominion as it should be built up, and in making Canada as strong a nation interiorly as we can make it? Are we not assisting the British Empire infinitely better by, as I say, building up this country in an interior way instead of trying to dissipate our energies by interesting ourselves in various matters abroad? The time has not come, as far as I can gauge it for us to take an active and energetic interest in foreign affairs relating to the empire. Those foreign affairs at the present time, as a matter of fact, are in good hands; but for us to say that we desire to be consulted here, or we desire to be consulted there, and at the same time come forward and say "No we will not bear the responsibilities in certain ways" is simply a series of contradictions.

I want to repeat again what I said in the first place. As regards the events which led up to the British North America Act those events were historical, those events were drenched in blood, those events were matters of compromise of the most serious nature. I for one see nothing but difficulties ahead of us if we take it upon ourselves by conference, by act of parliament or otherwise, to attempt to change those various matters which were brought about, which took place, and which were settled by those very particular compromises. I can see no advantage to be gained but I can see disadvantages may come to certain provinces under certain conditions. I therefore conclude, Mr. Speaker, by saying that not only do I intend to vote against the resolution, but I also disapprove of submitting a resolution of this kind to a conference with the object in view of changing the British North America Act.

Mr. ANDREW McMASTER (Brome): Mr. Speaker, I know that the apostles of things as they are and the disciples of subordination do not all belong to one side of the chamber. I trust that the distribution is uneven; I am sorry to see that it exists.

Mr. JACOBS: They belong to one side of the chamber but they sit on different sides.

Mr. McMASTER: I have listened with a great deal of interest to this debate in which, I may say, I had not thought I would have the privilege of taking part, but there have been some arguments advanced this afternoon to which I will endeavour to very briefly reply. I must congratulate the hon. member for St. George-St. Lawrence (Mr. Marler).

Mr. MARLER: You have reversed the order.

Mr. McMASTER: I was following the alphabetical order, but I apologize if I made a mistake.

Mr. MARLER: "St. Lawrence" is the more important saint.

Mr. McMASTER: I think a "St. Lawrence" did not belong to the British Empire but "St. George" did. Is it loyal to prefer St. Lawrence to St. George? I have listened with some attention to what the hon. gentleman has said and I congratulate him upon his historical knowledge. But the impression made upon my mind is this, that from 1774 to 1867 we required no less than four different constitutions. Those constitutions were made for Canada, and every one except the last proved unsatisfactory. It was only when the Canadian people got together, representatives of the Maritime provinces and of the old provinces of Upper Canada and Lower Canada which then formed a United Canada —when these men got together and drafted their own constitution and had that constitution ratified by the British parliament, it was only then and not till then that we got a fairly satisfactory constitution which has remained largely unchanged for some sixty years.

May I point out a matter which I think is of some considerable interest in connection with this question. When our delegates went over to Great Britain they had, I will not say the assistance, the co-operation of British law officers in preparing different drafts of the British North America Act; and if one will read these different drafts side by side one will see some very striking dissimilarities. The British law officers said that it was in the interest of Great Britain to join the colonies of Nova Scotia, New Brunswick and Canada, but that there should be a united "colony". That was the proposition in the draft of the British law officers. They used the word "colony" and they stressed the idea that the proposed union would be in the interest of the United Kingdom. The proposition in the draft of the delegates was that the provinces should not be united into one "colony". The idea of Sir John A. Macdonald was, and he belonged to the school of Tories which the hon. member for South York belongs to—

Mr. MACLEAN (York): Was Sir John up-to-date?

Mr. McMASTER: The gentleman who has led this important discussion belongs to the school of Toryism of that day. I think they called themselves Liberal-Conservatives. That is what Sir John Macdonald called himself, a Liberal-Conservative; and of the members

of that party some are rather more liberal, others rather more conservative. The gentleman who has led this debate belongs to the more liberal wing of the Liberal-Conservative party. But the point that I want to make is that Sir John Macdonald suggested that we should be united not in one "colony" but in one "kingdom". That is the word he wished to adopt. The word "kingdom" denoted an idea not of subordination but of equality, and that is the only basis upon which I was going to say—I had almost used the expression which the right hon. leader of the opposition often uses "red blooded Canadians"—it is the only status that self-respecting Canadians will enjoy.

Mr. MEIGHEN: Does the hon. member think the word "dominion" has any more suggestion of subordination than the word 'kingdom"?

Mr. McMASTER: I was speaking of the fact that the choice of the word "kingdom" has a very interesting historical association. I would not say that the word "dominion" had any greater tincture of subordination than the word "kingdom"; but as we have the "United Kingdom of Great Britain" the adoption of the word "kingdom" would have seemed to put the idea of subordination perhaps more completely out of peoples minds than did the word "dominion." But it was thought by the British authorities of that time that the word "kingdom" might possibly offend the republican sensibilities of our neighbours to the south; at least that was the statement given out at the time. And they looked around for another word. Sir Leonard Tilley was reading the Psalms of David one day, and he came to the psalm where it says:

And thy dominion shall stretch from sea to sea.

"Oh" he said, "that is the word for us." And that was picked out as the word for our country, from the Psalms of David, which will have the approval of the member for George Etienne Cartier (Mr. Jacobs). I will endeavour to follow the argument of the previous speaker. His argument is against any change, and not only against any change, but against the possibility of any change, because he is afraid that difficulties may arise if a change is even suggested or discussed. He was asked I think by the hon. member for Brant (Mr. Good) "Do you regard the British North America Act as something which must always exist in its present condition?" And his answer was no. I was a little surprised at that negative, but that is what he stated. He said "The British North America Act is not like the law of the Medes and Persians. It is possible to amend it."

[Mr. McMaster.]

Mr. MARLER: I said that it was not well to interfere with the British North America Act until the absolute necessity for it arose. That is what I intended to convey, and I do not think the absolute necessity exists at the present time.

Mr. McMASTER: That is not quite what the hon. gentleman said when he was making his speech, but it seems to me that is a more reasonable position to assume. But I may reply to that in this way. If the British North America Act is susceptible of amendment under certain circumstances, which some of us may think have arisen now, and which some of us think have not arisen yet, if it is potentially amendable—I think that is the way to put it—then who should amend it? Ourselves or someone else? That is the question. There may be possible arguments of convenience about having it amended by an outside legislature who would merely ratify the agreement to which we might come. There may be some possible advantage by way of the facility with which it might be done, but I do not think that it would be wise to adopt that method, in view of the depreciation of national status which such a course would imply.

Mr. MARLER: Would the hon. member define our national status?

Mr. McMASTER: I will take that up in a moment. I will endeavour to treat with our national status both external and internal just in a moment. If our British North America Act may have to be amended in future, then it seems to me we should be able to do it ourselves. I do not think that this parliament, the House of Commons, the Senate and the Governor General should have the right, without references to the provinces, to change our constitution. I do not agree to that. I think it should be amended in this fashion; that after the conference in which the provinces would take their part, an agreement should be arrived at—I trust it would be arrived at—whereby we might lay down the conditions under which and the machinery by which the constitution should be amended.

Mr. MACLEAN (York): Who would call that conference?

Mr. McMASTER: I think it would be quite proper to have it called by the Prime Minister of this country. I think he would be the fit and proper person to call that conference. As a matter of fact he proposes to call a conference for one specific object, and other similar objects which phrase has been inter-

preted by the Minister of Justice (Mr. Lapointe)—who no doubt is the legal interpreter of what the government has in its mind—to include such a subject as we have under discussion this afternoon.

Mr. MEIGHEN: What protection would the minorities have? Would they not have to trust to the fairness of the majorities?

Mr. McMASTER: Yes, if the minorities in Canada cannot trust their Canadian fellow-citizens, whom can they trust? We should not have any craven fears of any injustice being done in this country in that regard. The more we take that view I think the better for the whole people.

Mr. MEIGHEN: Who would decide whom the minorities must trust? The minorities themselves or whom?

Mr. McMASTER: The minorities themselves—

Mr. MEIGHEN: How would a provincial conference accomplish that? There are minorities in the different provinces.

Mr. McMASTER: There are minorities even in the small provinces. There may be certain minorities in Prince Edward Island.

Mr. MEIGHEN: There may be minorities in a province and vast majorities.

Mr. McMASTER: Does the House not realize that the people of Canada to-day are just as united as the people of sixty years ago? If reasonable provisions were made for the protection of minorities sixty years ago, is there any reasonable ground to believe that that protection will be removed by Canadians sixty years later?

Mr. MEIGHEN: Who decides on the reasonableness of the assurance? Has the minority itself not the right? Can anybody take it from them?

Mr. McMASTER: I would presume that in such a conference all the provinces and all elements would be represented. All the minorities in the provinces would be represented. Let me give the House an instance, from my own little county in my own province. In the last by-election we had in that county for the Quebec legislature, it was felt by some that it would be only fitting and right, as the county was represented by an English speaking Protestant at Ottawa that a French Roman Catholic should represent the county at Quebec. The difference in population was not more than 60 English speaking Protestants to 40 French speaking Catholics. We had the leader of the party in power in the province of Quebec coming to the county of Brome, telling his own co-religionists and compatriots that the Protestants of Quebec had already too small a proportion of the membership in the Quebec legislature, and asking them not to change the old custom, but to see that the English speaking Protestant was elected, and he was elected. And that is the principle which has ruled us in the province of Quebec. It is the principle, I believe, which animates the people of Canada, and that is the spirit which we have to trust in all constitutional matters. Now the hon. member who has just resumed his seat said that in any conference the rights of a province, if any changes were made—and I do not contemplate that there would be any serious changes made—

Mr. MARLER: Then why take the right to make changes?

Mr. McMASTER: Just because I want the right to make changes if changes are necessary, because I believe in freedom and not in restriction, because after all I am a Liberal and not a Tory, because I believe that freedom is not only good in itself, but it is the thing that has contributed more than anything else to develop our national institutions and to advance our national progress. We want to be free. Why, when the populations of many of the countries of Europe were under despotisms, it was the pride of an Englishman to say that he was a free man, a free Englishman, and he was proud of the comparative freedom of his institutions as compared with those of other countries. When Australia, the United States, Great Britain and France have the right to amend their own constitutions, I do not, for the life of me, see why Canada should not have the same right.

Mr. MARLER: Later on in his admirable address, the hon. member will probably tell us of the obligations which freedom brings about.

Mr. IRVINE: Is the hon. member afraid of them?

Mr. McMASTER: I will tell of the obligations which freedom brings about and those obligations have never been declined by this country. When some ten years ago, it is going on now for eleven years, there came a great conflict in which we believed we were in the right and in which the peoples who were associated with us by blood on the other side of the world were also engaged, I do not believe we took refuge in any subordinate condition of our constitution to evade the

necessities of the situation. My learned and hon. friend said this: "In a conference of the provinces of the Dominion, the provinces would inevitably lose rights and the Dominion would acquire rights."

Mr. MARLER: Nothing of the kind.

Mr. McMASTER: I listened to my hon. friend's remarks with great attentiveness, and my recollection of his argument is that he said it would be dangerous to have a constitutional conference because, in that constitutional conference, provinces might lose rights which they now enjoy. It is just as possible that at such conference provinces might gain rights which they do not now enjoy. If we had the right to amend the constitution, the sovereignty being divided now between the Dominion and the provinces, if it was thought best to give to the provinces certain rights which they do not now enjoy, it would be quite competent to give them. If it was thought best in the interest of the whole country to take certain powers now exercised by the provinces and give them to the Dominion, that could be done as well. There is no foundation for the assertion that a conference of the provinces with the Dominion would, of necessity, result in a depreciation of the powers of the provinces.

Mr. CARROLL: Supposing that there was a conference of the dominion and the provinces and they agreed that Canada should be allowed to amend its constitution by federal act, would my hon. friend then say that this House of Commons, the Senate and the Governor General should be allowed to amend the confederation of Canada and the provinces without reference to the provinces?

Mr. McMASTER: No, I would not. My idea would be that the provinces and ourselves should decide upon some method which required the concurrence, not only of a majority, but of a large majority of the provinces, and not only of a large majority of the provinces, but of a large majority of the people of the provinces I would have it very much along the same lines as that which gives to the American people the right to amend their constitution. I would not have it require the concurrence of all of the provinces, because that would mean that one province could set itself up against the rest and demand better terms.

Mr. VIEN: On that, my hon. friend will surely not contend that if one province refuses an amendment, a majority of the others can compel it to accept such an amendment.

A contract between contracting parties cannot be amended without the consent of all of the parties.

Mr. McMASTER: I know that and I propose to have a new contract between the Dominion and the provinces whereby, under certain conditions, changes could be made, not upon a bare majority, but upon a majority of say two-thirds, not only of the provinces themselves, but of the people of the provinces.

Mr. VIEN: That would never be accepted.

Mr. McMASTER: If that was never accepted, the matter would fall; but I do not believe, in a progressive country, one can say: We have a constitution and we are going to make any change so difficult that it can never be changed.

Mr. VIEN: We are a contracting party and nobody can compel us to change the contract except with the unanimous consent of the contracting parties.

Mr. McMASTER: I agree with that absolutely, but I would have a new contract. I was asked to speak about when Canada was a nation. According to the last speaker we are a nation for internal affairs, but not for external affairs, and it is argued that we should devote our time and attention to building up internal affairs and not bother about external affairs.

Mr. MARLER: Or assume the responsibility.

Mr. McMASTER: The answer I make is that, whether we like it or not, without any control at all upon British foreign policy, we have been exposed in the past to the hazard of war and, on the whole, whenever war has broken out, we have done our fair share. So far we have had a position of subordination that, whether we liked it or not, we have been drawn into war, and I think my hon. friend will agree with me that that is so. I doubt if there is any way which human ingenuity can devise whereby we shall have a joint control of foreign policy, but that is a question which I do not wish to enter upon at the present time. It seems to me that this question at any moment may become a practical one, although it has been regarded by some as purely theoretical. The question of the constitution of the Senate in Canada is not purely theoretical. At any time we may find the majority view of this House, as expressed by this House, as expressed by the elected representatives of the people, flouted by men

who do not represent the people who have been appointed for life, the majority of whom, perhaps, have been appointed for life by a party which represents views absolutely at variance with those held at this time by the people of Canada. Surely that is a practical question and there is ground for examining into the opportunity of changing such a situation. If we cannot examine into the wisdom of changing such a situation without an amendment to our constitution, it follows that we should have the right to amend our constitution.

Mr. JOHN EVANS (Saskatoon): Mr. Speaker, there are one or two thoughts which I wish to express on this question as I shall have to vote against the resolution as it stands. There are some who have the idea that Britain is withholding from us something which we should have. She is not doing that; in fact, Britain is anxious, nay eager, that the overseas dominions to-day should assume and exercise the responsibilities of nationhood. There is no need yet for a change. Our dignity in the past has not suffered; in fact, I think we have in the world of commerce a prestige that we would not otherwise have had.

We should in the first place, I think, decide whether or not we want the responsibility of nationhood. The inconsistency of the whole agitation lies in this fact, that the Dominion is composed of what are or ought to be autonomous parts, and before any change can be made in the British North America Act a conference of the provinces will have to be called to decide what it is we need and desire. I shall have to vote against the resolution, because my province does not to-day stand on an equal basis with the rest of the Dominion; nor does the province of Alberta: we are treated as minors. The old provinces of Ontario and Quebec sixty years ago held these portions of the Dominion in trust until such time as their population would warrant their being formed into provinces; and that old confederation assumed the right of ownership. To-day, therefore, we are not on a footing with the rest of the provinces.

Mr. MACLEAN (York): That is an injustice.

Mr. EVANS: It is an injustice which will have to be removed before we can with any consistency ask for greater autonomy for Canada or for the full status of nationhood. The old confederation of Ontario and Quebec has dominated the rest of the Dominion since the union and has taken the means to make that domination continuous. We should have an equal right with any other province in the Dominion to full representation in the Senate. That we have not, and until such time as our standing is secured on an equal basis with the rest of the provinces in this Dominion, I, for one, shall feel bound to vote against a resolution of this kind.

At six o'clock the House took recess.

After Recess

The House resumed at eight o'clock.

Hon. EDMUND BRISTOL (Centre Toronto): Mr. Speaker, I had not intended to make any observations on this subject, but so many speeches have been made with regard to it that I thought perhaps it would be proper to say a word or two.

I think everyone here must agree with the remarks of the Minister of Justice (Mr. Lapointe) when he says that the British North America Act was really a treaty in which every province took part and that no important or serious changes can be made in that act except with the consent of every province interested. It seems to me that the Dominion itself is getting so set up on its greatness and power that it has lost sight of the fact that it was the creation of the provinces, the child, so to speak, and that the provinces were the father and mother of confederation. On that fact rests an important point. Under the amendment suggested by the hon. member for South York (Mr. Maclean) it would be quite possible for this House and the Senate to amend the British North America Act in respect to any matter except, perhaps, the question of education. In other words, they could make changes in the Senate; they could change the number of representatives to be elected from the different provinces—in fact, the majority in the Senate and in the House of Commons for the time being could make any changes they wished to make. I suppose if it happened to be a Liberal majority they would take one point of view; if it was a farmer majority they might take another point of view, and if the Conservative party was in power they might take a totally different attitude. So it seems to me that the proposal as presented to the House is not fair or practicable so far as the provinces which formed the confederation are concerned. I cannot see anything in the suggestion beyond this: It seems perfectly evident that if the Prime Minister (Mr. Mackenzie King) calls a conference of the Dominion and the provinces, he will not be able to get anywhere unless the

consent of all the provinces is obtained. That is, of course, assuming that they are willing to accept the argument of the Minister of Justice that all the provinces must consent to any change that is to be made—a practice, I believe, which has prevailed ever since confederation. So that even if the provinces did get together and we had the power in this parliament to make the desired amendments, the only difference is that we would not have to send them over to England and say to the imperial authorities: "The Dominion and the provinces are desirous of having a change made in the act; this is what they want; will you kindly put it through?" That is about what it amounts to; because I have not heard anyone suggest that the British government has ever objected to any of the slight amendments that have been made to the act at our request. It seems to me, therefore, that there is practically nothing in the proposal.

Some reference has been made to the desirablity of having a Canadian ambassador at Washington. Well, I think that at this time we need the backing of the whole British Empire at Washington. For some time the city of Chicago has been taking large quantities of the waters of the Great Lakes. This is not a legal question at all; it is something like the case of two farmers living side by side—one of them cannot take more than his proper share of the water of a river running between the two farms. For years they have been taking this water, which belongs as much to Canada as it does to the United States, and they have been running it down into the Mississippi and utilizing it in the production of power. It seems to me, Mr. Speaker, that it is high time for this country to take the position as part of the British Empire that not one foot of water should go through Chicago from the Great Lakes down into the Mississippi. It is not, as I have said a legal matter; it is not a question of a treaty. But that water is our property, and the government of this country should get busy in the matter. Do not bother with an ambassador at Washington, but say to the British governmen: "Look here; get into this. We will help you by supporting the British navy instead of sponging upon you as we have done for a hundred and fifty years." If you get the British Empire as a whole behind you perhaps you will get something done. They might tell the United States: "We will not pay you anything more until you get that difficulty with this part of the British Empire settled." Great Britain is paying millions to the United States every year; it is the only country in the world that is paying its war debts, and we should get the whole British Empire together shaking its fists in a pleasant and agreeable way at Washington, and saying: We want that water back. It is costing us millions of dollars to deepen our canal system and our ports because of the water they are taking down there, and we sit calmly here and waste our time in this debate which might better have been conducted in a school with a prize for the one who makes the best speech. It gets us nowhere. The thing we want to remember is that we are a part of the British Empire, and we want to stick to the British Empire. We do not want to bother with a Canadian ambassador at Washington; we want the whole British Empire behind this country all the time. I cannot see what particular happiness or pleasure any man in this country gets over the signing of a treaty with the United States by our own plenipotentiary, when we allow the British people to pay practically the whole cost of the British navy. We are not commencing to pay our share of the cost of the defence of this country; at no cost to us we have been defended by the British navy for a hundred and fifty years.

What made the United States break away from England? It was simply because England started to put a small tax on the United States, which had been in existence as a British colony for a hundred years. A small tax was put on practically for the purpose of defending their coasts so that they could become a great and prosperous country, and the colony thereupon broke away from the Mother Country, and as soon as it became prosperous it started in to have a rebellion of its own. Are we going to allow the British people to pay the whole cost of the British navy until we become prosperous, and then say: We do not need the British navy; we are going to run our own country. Fortunately, we have not arrived at that stage yet. I think it is time we recognized our position as part of the British Empire. Great Britain having learned a lesson from the breaking away of the United States will not attempt to put a tax on us, but are we going to allow the British people to pay the whole cost of that navy which defends our coasts and allows us to become great and prosperous? It is time that we paid our share, instead of running a little artificial navy. Who wants to get on ships in this country? No one that I know of. People can make so much more money on land that they would rather stay on shore and make money. The British navy is for the defence of the whole empire, and as we do not want to go on ships and have a navy of our own,

as we want to stay ashore, like the Americans, and make money, it is only fair that we should pay our share. That is what we should be considering, instead of whether we should have the power to change the British North America Act. When we want any change made we have simply to ask Great Britain to make the change, and she will do it.

Mr. H. A. FORTIER (Labelle) (Translation): Mr. Speaker, those who have in this debate, up to now, sided with the mover of this amendment, have to their credit the fact of having strived for the principle of self-government, but is this principle of autonomy referred to by the supporters of the hon. member for South York (Mr. Maclean), the only one which must be taken into consideration by this House? I think there is another principle which certainly demands our consideration, and it is, that the privileges which were granted to us by the British North America Act are part of a sacred pact not to be altered or amended by a majority in the House of Commons. The Fathers of Confederation, at the time, in order to obtain the full co-operation of our compatriots of the various provinces, offered the following guarantee, that under the control of both the Commons and Senate, certain vested rights would be maintained in favour of the various nationalities in the provinces. The British North America Act was enacted by the Fathers of Confederation, after a number of meetings and much discussion, and this Act created the general impression, in this country, that it was the safeguard of our traditions and vested rights, especially for the old provinces of Lower and Upper Canada. It is because they believed that this principle was embodied in the British North America Act, that the various provinces welcomed Confederation and, since 1867, joined it of their own free will. The present generations, like the one of 1867, wish to maintain for these nationalities in the various provinces of Confederation, the same pledges in regard to their vested rights and sound traditions.

The resolution which is submitted to us, while evidencing a desire not to wound the feelings of the provinces interested in this confederation pact, nevertheless introduces an element of a nature to diminish the safeguards which we possess, is a source of anxiety and apprehension to the various component groups. So far as I am concerned, the great confidence which I place in confederation, under the high protection of the British crown, the faith I repose in it as an upholder of the traditions and the vested rights of the French population co-operating with the English in this country for the good administration of the Dominion, this reliance I could not place in the legal status which the present motion tends to establish, because with such a legal status the various nationalities in the provinces would be at the mercy of the changeable and often ill-inspired views of the majorities holding power in parliament. This is why I am opposed to the motion to amend our constitution.

The Confederation Act of 1867, in the eyes of the provinces, is a sacred one which must always remain intact. It gives us rights to which we are attached, it strongly contributes to the maintenance of peace and harmony in this country, it is the shield of our customs and rights, and, it is because it remains unaltered that the provinces adhere to the pact. It would therefore be, in my opinion, a mistake for this House to assume the right to change or amend it at will.

Moreover, we have, in this country, existed as a confederation for almost sixty years. Since the year 1867, the provinces have been united, forming a confederation pact under the aegis of this British North America Act. Since then have we had occasion to complain? On any occasion when the Canadian people expressed a wish to amend their constitution, have they ever been denied that right, by the British Crown? Have we any reason to believe that in future the British crown might be guilty of injustice towards us. Whatever may be the very sincere considerations which have prompted the movers of this resolution, I cannot help considering as a slur on the Imperial authorities, the fact that some among us wish, after sixty years of existence, to claim the power to amend our constitution. It looks as if we wished to tell them that we had no further confidence in their authority, that we have special reasons to complain; as if, in the course of these sixty years, we had been requesting of the British crown amendments to our constitution which they had refused! Now, Sir, Canada is not in that position; it is fully satisfied with the charter obtained in 1867, which has contributed to the development of our country, safeguarded autonomy in all the provinces and largely helped to maintain this harmony so necessary to the welfare of the country; the Canadian people are happy to possess such a charter, because it is a pledge of peace and harmony; a safeguard of the traditions and vested rights which are theirs.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Before a vote is taken on

the amendment to the amendment which has been moved by my hon. friend the member for East Calgary (Mr. Irvine) I should like to point out that there seems to be three entirely distinct and separate questions which have come to the fore in this discussion and which, if I may be permitted to say so, are being more or less confused. The resolution of my hon. friend (Mr. Maclean, York) as drafted, gives rise to them in a natural way. It is important we should see that the consideration of any one of the three questions does not necessarily involve a like point of view with respect to the others.

There is in the first place the question of the right to amend our own constitution, a question which one might describe at present as theoretical or academic, although it may come to have in the course of time some very practical bearings. There is secondly the question of the method by which this country should proceed to secure amendment of its constitution should it decide such a step to be desirable and necessary. There are two methods that have been suggested. One is contained in the resolution of my hon. friend to the effect that a resolution of both houses of parliament should be addressed to His Majesty the King praying the British parliament to amend the constitution in the manner set forth. As has been pointed out in setting forth the other method, that method ignores altogether the relationship of the provinces to the Dominion in the creation of the constitution itself. All of that particular phase of the question was so fully and conclusively argued by the Minister of Justice yesterday that this House, I believe, is practically unanimously of the view that if an amendment of the kind is to be sought, due regard should be had to the view that a compact was made at the time of confederation, and that an amendment of the importance that such an amendment certainly would have, ought only to be proposed after there had been a conference and agreement between the Dominion and the provinces.

The third question which has come up in discussion, and which seems to be entirely separate and distinct from each of the others, is, assuming the House or the country has come to the decision that the constitution should be amended in a manner which would permit of its amendment within the boundaries of our country, so to speak, without going beyond to apply to the British parliament, and assuming that we had agreed upon the method by which the British parliament should be approached in that regard, what then are to be the terms of the amendment itself? What are to be the conditions by which the people of Canada, when they come to amend their constitution, shall be prepared to abide in any amendment they may have under consideration. Perhaps I can illustrate this point by a reference to the resolution of my hon. friend. The third clause in the resolution says.

> "The proposed law for the alteration of the said act must be passed by an absolute majority of each house of parliament."

My hon. friend says that if the constitution is to be amended at any time it must be by a majority of this House and of the Senate. Some hon. members who have participated in the discussion have thought that instead of a bare majority, a two-thirds majority might be required. If not a two-thirds majority in all cases possibly a two-thirds majority in some cases, and a simple majority in others. All I wish to point out at the moment is that the question of terms or conditions is a question apart altogether from what I believe to be the question the hon. member for South York wished to have discussed, namely—whether the constitution of Canada might upon terms and conditions to be agreed upon, be amended within the confines of Canada itself, and without the necessity of any request to the British parliament to make the amendment. I would feel that my hon. friend's motion as it stands could not be accepted for the reason, if for no other, that it is, inadvisable for this House at this time to commit itself as to the terms or conditions on which any amendment should be made to the constitutions; very full opportunity at the right moment should be afforded for considering and discussing that important feature. Similarly I would feel that my hon. friend's motion should not pass this House, even in the amended form namely, providing that the consent of the provinces must be obtained, without in the first instance permitting the provinces to confer with the Dominion with respect to the address that should be presented to His Majesty.

May I add one word in regard to the amendment to the amendment which has been moved by my hon. friend for East Calgary because I think it, too, helps to illustrate the confusion, which has arisen in the discussion of this matter. My hon. friend suggests that the resolution should be amended by adding to sub-section 2 the words:

> And that before further action be taken on the proposed resolution the same be referred to the consideration of the conference proposed in the Speech from the Throne for consideration and recommendation.

I do not know whether my hon. friend for East Calgary has noticed that what he is proposing to do is to ask the two Houses of parliament to send a petition to His Majesty praying that the British House will amend the constitution in the way the member for South York has suggested with the words of my hon. friend for East Calgary included. The resolution of my hon friend from South York is: That a humble address be presented to His Most Excellent Majesty in the following words—and the words which my hon. friend from East Calgary has moved as an amendment are part of the words which under his amendment are to go into the address to be presented to His Majesty the King. I am sure my hon. friend the member for East Calgary never intended and does not wish anything of the kind; that, nevertheless, is the effect of his amendment. For that reason, Mr. Speaker, I do not think my hon. friend's amendment will appeal to the House. I am equally sure it will not appeal to himself once he sees its effect.

The point at issue, it seems to me, narrows down to whether or not this country should have the right to amend its own constitution, without in that connection asking any assistance of the British parliament. In a discussion of this kind I think we ought to have regard for the impression which our words within these walls may create in the minds of those who may read them beyond the precincts of this parliament. The simple discussion of whether or not we should have the right to amend our constitution may be differently interpreted. Some persons reading this debate, or possibly reading the headlines of the debate as they will doubtless appear in the press in different parts of the world, would assume that this parliament, or rather that the people of Canada had not the right to amend their own constitution. Very much depends upon what we mean when we use the word "right" in that connection. I contend, Mr. Speaker, that we have the right to amend our constitution; and I will not go further than the resolution of my hon. friend for South York (Mr. Maclean) to give the House evidence that at least, we think we have that right. By his resolution my hon. friend is proposing that we should amend the constitution, and he is taking what he believes to be the constitutional method of securing an amendment. We could not amend our own constitution in the manner in which my hon. friend suggests, if we had not that right; and yet this discussion might create the impression abroad that the people of Canada have not the right to amend their constitution. I do not profess to have very much knowledge of constitutional law, but I recall at the moment a distinction made by constitutional authorities which I think is pertinent to the present discussion; and that is the distinction made between what is referred to as the law of the constitution and the conventions of the constitution. So eminent an authority as Dicey on the law of the constitution, as I remember his writing, has intimated that even a lawyer pursuing the study of the law of the constitution into a consideration of the conventions of the constitution would come to see that he had but proceeded a little further on the one path.

So far as the letter of the law is concerned, the Canadian people, technically speaking, have not the right or power to amend the constitution without asking the British parliament to pass a law for that purpose and without the consent of the British parliament. If that were taken to imply that the British parliament itself might, whenever it wished to do so, amend our constitution without any reference to Canada, or that the British parliament, when it was requested so to do might with respect to an amendment refuse to carry out the wishes of the Canadian people, then we might say that we had not the right to amend our own constitution; that some other body, namely, the British parliament possessed that right. But where the facts are as we know them to be that this parliament approaching the British parliament in a constitutional and regular way, by an address of both Houses requesting any amendment to our constitution, will have the amendment carried out in accordance with its wishes, it cannot be said that we have not the right or the power to amend our constitution. We have both. I contend, Mr. Speaker, that the conventions of the constitution are just as important and binding as the law in a matter of this kind, and that the convention governing the amendment of the Canadian constitution to-day is that whenever the people of Canada proceed in a constitutional way to ask the British parliament as their agent—because it is practically as their agent that they ask the British parliament to do this—to amend the constitution in a particular way, the British parliament will always proceed so to act in accordance with that request. That being the case, this country has the full constitutional right to amend its constitution.

The real question at issue narrows down therefore, to a very small compass, namely to whether we desire in Canada to amend our own constitution, confining the transaction strictly within the boundaries of the Dominion, or whether we would rather main-

tain the procedure which is essential at the present time in consequence of the historical facts and circumstances governing the matter, namely, of proceeding beyond the boundaries of the Dominion to the Mother Country to ask the British parliament to make the desired amendment in accordance with the expressed wish of our own constituted authorities. Now that is a question that seems to admit of discussion. There is much to be said on both sides. Personally I cannot but feel that for a number of reasons it would be preferable to save the British parliament, in connection with its business, growing as it is from day to day, the necessity, of troubling itself with respect to any matters which are distinctively a part of our own self government. I appreciate the feeling, I think it is a natural feeling, that many citizens of this country have, that the Dominion holding the position it does in all other particulars should not suffer under even a theoretical limitation in this particular matter. So far as I am concerned, I confess I do not see in it at the moment anything more than a theoretical limitation. There is no practical problem that has arisen up to the present time that I am aware of that in this regard has occasioned the necessity for any sudden action on the part of the Parliament of Canada. I think it is all important that this should be made perfectly clear, that it should be understood in the Old Country as well as here, that so far as the Old Country is concerned, we know that Britain is prepared to do in this matter whatever the people of Canada may wish to have done, and that if no change has come about thus far, or if the situation is what it is at the moment, it is, as has been said many times in the course of this debate, entirely of our own creation I think the further fact should be made clear, namely, that as a people we cannot be held to be making any sort of a complaint or entertaining a grievance with respect to the existing situation, but rather that this discussion is one practically, as has been said to-day, largely academic in character. That being the case, Mr. Speaker, it seems to me the question is one which very properly would come before a conference to be arranged by the government between the federal and provincial authorities, such a conference as in the Speech from the Throne it has been announced it is the intention of the government to call. I hope that with the assurance to my hon. friend, seeing that the matter has elicited the attention it has in this House in the last day or two, that the government will make it one of the subjects to be referred to such a conference, he will see the wisdom of not pressing his resolution to a vote,

[Mr. Mackenzie King.]

but will feel that he has already served the very admirable purpose which I am sure he had in view in making the motion, namely that of creating that interest in discussion and otherwise which is most essential to an adequate consideration of this important question.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): The presence of the hon. member for South York (Mr. Maclean) accompanying this motion assures it a respectful hearing on the part of members of this House. The hon. gentleman has enjoyed for some years the distinction of being the oldest parliamentarian in this Dominion, and enjoys as well a position of high esteem among all members of the House of Commons.

I am afraid I cannot congratulate him on the degree of unanimity with which his resolution now before us has been received in favour by members of parliament. Whatever importance the motion may have, the discussion of it has had this shattering result; it has split the Labour party in two. Their views are now so multiplied that the rest of us cannot present an amendment at all. I have no hesitation in coming to a conclusion as to the merits of the motion and both amendments. I would not make any request of the hon. member for South York. So far as I am concerned the pressing of the resolution to a division is a matter entirely within his own pleasure. With some regret, so far as he is personally concerned, I have to say at the outset, that I will vote decisively against the motion, the amendment and the sub-amendment.

A part of the discussion, I think, has not been very relevant, and I say that with all deference to previous speakers. I do not think we have before us anything that touches, even remotely, the question of the wisdom of preserving an appeal to the Privy Council. My view on that question I may indicate later, but the subject has no relation to the motion before the House. The hon. member who moves this resolution referred to it some days ago and lodged a complaint that the law lords of the Privy Council had shot holes through the constitution of Canada. If they have, their action is wholly null because they were never vested with such power. It is their duty, if appeal is made, to decide what the meaning of the British North America Act is. That, in the case in dispute, the appeal on the Industrial Disputes Act, they did and they gave their reasons therefor. I think it is unfortunate that there should be anything in the nature

of an attack because of that judgment. For myself, I would have deprecated the carrying of the case to the Privy Council, indeed, into litigation at all. I believe it has been the balance of opinion of the Justice department for many years that if the Lemieux Act, so-called, got into the courts, its fate was very doubtful, indeed, was probably sealed. I have no reason to think they have varied that view in the present instance, and I think the carrying of the Industrial Disputes Act case in the matter of the Hydro-Electric Commission employees was an impetuous adventure from which we have returned in discomfiture with nothing left but a feeling of remorse and a bill of expense.

But all this has nothing to do with the case before us. We have to vote "yes" or "no" to a resolution, an amendment and a sub-amendment, and in determining what we do, we must read each of the three, because our vote, if in the affirmative, means support of whatever one we vote for as it reads. It does not mean support of some more or less nebulous principle which we think the mover may have in the back of his head.

The resolution itself calls upon this House to petition the British parliament to give us power to amend the British North America Act by a majority vote. I have not heard any hon. member, save the mover, support the resolution in those naked terms. The speech of the Minister of Justice (Mr. Lapointe) is decisive in the negative. He raised only the one objection—no other is needed. He laboured it, perhaps, too long, but he presented it most forcibly and well. No one in this parliament of Canada could dream, for a moment, of asking the British House of Commons and House of Lords to tear up the securities to which we and others are parties on the mere demand of this House itself. Undoubtedly, the pact of confederation is a contract and there are rights involved therein not represented by the Parliament of Canada. We could not put ourselves in the position of asking that rights so secured should be disturbed on our motion alone. The speech of the Minister of Justice determines, I think, without power of dispute, that there should never be suggestion of amendment affecting other parties to the contract save after conference and consent of those other parties. As he delivered that speech, I could not help regretting that he had not made it before the famous challenge of the powers of the Senate which rang through this chamber last July. I could not help regretting that he had not made it in the hearing of the Prime Minister before he went through western Canada and delivered those blood-and-thunder speeches about curtailing the authority of the upper house. There was no suggestion then while he was on the stumps of western Canada about a conference of the provinces before this assault on the Senate was to be made.

Mr. MACKENZIE KING: It was always contemplated.

Mr. MEIGHEN: It was always contemplated?—but never suggested.

Mr. MACKENZIE KING: Yes, it was.

Mr. MEIGHEN: One is not able to tell what is contemplated by the actual words of the Prime Minister when on the stump. That threat, however, is now reduced to the suggestion of a conference which, I think we are all pretty ready to admit, means nothing more than a kiss good-bye to the whole terrible campaign. So much for the resolution.

The amendment of the hon. member for Winnipeg (Mr. Woodsworth) is more cautious, It is to the effect that we shall petition for power to amend at our will within certain limits the British North America Act, but shall do so only after having obtained the consent of all of the provinces of Canada. Even then the amendment proposes that we have authority to change only within the limits of a rather contracted circle. We are not to ask even with the approval of all the provinces for unlimited power of amendment, we are to ask only for power to amend in so far as we can do so without interference with minority rights. This is the undoubted result of the language in which the amendment appears as suggested by the hon. member for Centre Winnipeg. In the first place, I do not think it would be a matter of convenience that the whole of the provinces of Canada should in every case consent. If we are going to put those obstacles in front of our course, we are going to add to the difficulties if any did exist, that we have had in the past. We have amended the British North America Act many times upon address of this House without speaking to the provinces at all. Why? Because the amendments we asked for did not affect in any way minority rights, did not affect in the remotest way provincial rights, were amendments in which the provinces or minorities were not concerned at all. It would be cumbersome indeed in such cases to be compelled to pass first from province to province and obtain universal approval. Besides, I do not think we are going to gain anything in the world by asking for power to be vested in this House to amend, in relation to one sphere, a constitutional right while, in relation to another sphere, we must

pursue the course we have pursued in years gone by. It seems to me that then would develop an anomalous situation and it is merely fanciful and illusory for us to dream that, after we have such result, our status would be in the least elevated or that we would be more of a nation than we are to-day.

The third amendment moved by the hon. member for East Calgary (Mr. Irvine) has, I think, in effect, the interpretation given to it by the Prime Minister. If the hon. member for East Calgary agrees, I am satisfied that he will not himself ask that we shall vote upon this amendment. I know he did not intend such effect. If I have his purpose aright, he intended that we should express ourselves the opinion that this parliament should have the right to amend the British North America Act, but that we should not convey that opinion to the British House until the provinces of Canada agree. To that also I am emphatically opposed. I do not think this parliament should have the right of its own will and motion, under any conditions, without reference to the provinces, even though they might presently grant us that right, to amend in any way we choose the British North America Act. Though the provinces might agree that we should go to the British House and ask for the right to be vested in this parliament alone, I would not be a party to the assertion of such a right. There are, in this Dominion, minorities whom no provincial legislature distinctly represents. The voice of those minorities is heard even in the midst of this debate. Are we to assume that because certain legislatures, which do not speak for those minorities, tell us to take to ourselves the right to amend the British North America Act at will we ought, therefore, to do so? I do not think so at all. So that, in the form which the three propositions now before the House take, I could not vote for any of them.

There still remains, however, the question at large, should we seek by some channel or other to obtain these powers? It perhaps is not worth discussing in so far as deciding the vote of any one on what is before us is concerned, but it has been discussed and I do not want to evade it in any degree whatever.

I am afraid myself that if we launch very far into this question and seek to set up some other method than that already pursued we are only going to get further and further into the morass; and any substitute which we are able to invent will be far more cumbersome and even less dignified than that to which we have subscribed through all these years. We differ from Australia and South Africa. We are a federation of a variety of minorities and majorities. A suggestion has been made, I believe, by Sir Clifford Sifton,—and I cannot help but note the more brotherly language and Christian spirit in which his name is spoken of by hon. gentlemen opposite now than characterized similar references just a few years ago,—that there should be some divisions created throughout the Dominion and some proportional representation election; and that the delegates so elected should re-draft our constitution. Well, it seems to me that if such were done the very securities that now prevail would be insisted on again. There is no reason in the world to assume that any different securities could be substituted. And why is this the case? Simply because you cannot erect any structure of balances and referendums as simple and effective as the method which obtains to-day. Imagine an agreement to which any minority in this country could logically be asked to subscribe, an agreement under which there would be a reference to the provinces and then a reference to minorities, all entailing weeks and months, perhaps years of labour, all giving rise to disputations and controversies, section against section—that is to say, if the change proposed amounted to anything at all. Imagine a system such as that to which any of the various minorities of Canada would likely subscribe at any conference! No matter how you go about it, whether by a new system of divisions or by the legislatures as they exist in conjunction with this parliament, you will arrive ultimately at just the same difficulty which confronted the Fathers of Confederation and which they surmounted by the instrumentality of the British North America Act.

Is it all worth while? Are we going to be any better off after this is all done than we are now? The answer comes in the speeches we have heard this very day. One hon. gentleman, even the mover himself, rises and says: "All I ask for, and I ask it in the name of the dignity and nationhood of Canada, is that in matters which do not affect minorities we shall have the right to amend our constitution". And he declares that to the outside world our status will be enhanced; it will all appear a whole lot better to the world at large, who will look on us as higher in rank among the nations, more independent, more autonomous, less subordinate to the Motherland. I do not follow this reasoning at all. If we would still have in all important cases to go through the circuitous journey which we take now,

9 p.m.

why should we not do the same in every instance? If the outside world sees us take this course in all matters of consequence, I do not think that we are likely to be elevated to any position of superior dignity because we do not have to submit to the same necessity in matters which are merely minor. The hon. member for Lotbiniere (Mr. Vien) says that there are certain subjects which he never would commit for decision to the Parliament of Canada, no matter who else might consent to this being done. We rest, says he, on the security which is found in the British parliament so far as these particular matters are concerned. But, says the hon. member, as to other subjects, "for the sake of our position before the world, I beg of you to adopt some new means whereby we can change the act at will". For the life of me I do not see anything to be gained at all so long as there is something reserved.

But if there were nothing reserved, if all minorities would agree to something definite —and this to my mind is purely visionary— if all were unanimous that we abandon recourse to the British parliament altogether, and, through some system at home, vest in the various legislatures and the Parliament of Canada the right to amend the constitution, would we really be further ahead than we are now? The Prime Minister says, and I support him to the full, that we have to-day an absolute constitutional right to fix the terms of our constitution. Speaking for the people of Canada, satisfying the British parliament that we so speak—and there is no difficulty in doing this if the voice of objection is not heard—we have the right as a parliament to decide what goes into that act and what stays out. Such is our position to-day. Hon. gentlemen say: "Yes, but that only rests on the foundation of constitutional right; by law we still have to go around the route to the British parliament, and we do not want to rest on the insecure basis of mere constitutional right. We want our legal rights plainly defined before the world." Let us inquire into that contention. In my judgment our legal position would not be one whit the stronger in that case than it is now. True, it is by virtue of constitutional right that we can now dictate virtually any amendments to the act, provided we speak for all Canada and the voice of minorities raises no objection. But the sanction of constitutional right within this British Empire is just as firm, just as lasting and just as dependable as the voice of law itself. But I go farther. When we have gone through all this and got our substituted system, when we have obtained the legal right to amend in our several parliaments this British North America Act, the legal foundation is not one iota better than it was before. Why do I say that? Though the British North America Act may be amended, in such a way as to give the Parliament of Canada, after a long series of provincial approvals, the right to amend the act, after that is all done the legal power would still remain in the British parliament to change the act at will. And nothing could restrain them save a regard for constitutional authority. In other words, we would still be protected by constitutional right and constitutional right alone; the legal power in the British parliament would remain to amend the act or to repeal it. So that after all the sanction we would have would be the very sanction we now enjoy. The legal right exists to-day, for example, on the part of His Majesty to veto any act of the Parliament of Great Britain. Though the legal right exists, however, the constitutional right has died; it is antiquated and obsolete and virtually does not exist at all. And it would be just as true to say that the Parliament of Great Britain to-day is a mere instrument and tool of monarchy as it is to say that this parliament, speaking for the people of Canada, has not the right to amend our constitution. We have the right, and before the world we could be no better off or better protected if any scheme whatever of the nature now proposed were adopted.

I may be old fashioned in this matter and if I am I will take the consequences. But I am not very anxious to strip the British Empire of those emblems of unity which to-day dignify it before the face of the world. I do not want to do anything of the kind unless there is something to be gained, something material and practical beyond all that is lost. For my own part I think we have travelled far enough along this road. Rather, I believe that it has—on ourselves and on the world without—a wholesome effect to see these visible signs of our unity remain, to see our appeal to the Privy Council preserved, to see our power of amendment exercised through the old British parliament; to see in a word that the British Empire is the British Empire still.

Mr. W. F. MACLEAN (South York): Mr. Speaker, I do not want to get the House into a muddle over this question; I want to see that due respect is paid both to the House and to the question itself.

From what the Prime Minister (Mr. Mackenzie King) has said and from what the

right hon. leader of the opposition (Mr. Meighen) and the Minister of Justice (Mr. Lapointe) have said, it would appear that this country, this parliament, are in a helpless condition, are impotent and cannot deal with the very fair question that I have brought to the attention of the House and the country. If the British parliament has granted this power to the dominions that have been created since Canada was made a confederation by the British North America Act; if Australia, South Africa and the Irish Free State are able to amend their respective constitutions, within certain limitations and protections that have been provided, why should not the first of the dominions, this Canada of ours, have the privilege not only of amending her own constitution but also of interpreting it in her own courts rather than being obliged to have it interpreted by a court in the formation of which she did not have a single voice?

Lawyers can put up arguments on all kinds of cases, and we have a good many lawyers in this House. The Minister of Justice led the lawyers who spoke on this question, and the leader of the opposition followed the same line as the Prime Minister—they are all trying to get past the issue. They forget that we are living alongside the United States, a great country which has achieved something in the way of better conditions for the world. Some people may say they have not entirely succeeded; perhaps not. But they have done something. Out of a condition similar to ours they evolved a constitution which they themselves have power to amend. They have amended it, and have continued to amend it. Instead of being governed as they were in the first place by the thirteen original states, they are now governed by the senate and congress of the United States. In other words, the people of the United States can make, amend and interpret their own constitution. But leading members of this House, especially its legal lights, say that in that respect Canada is helpless; we cannot do it. As a Canadian I resent that doctrine, and I hope I shall live long enough to see a change made.

I did hope to hear something from my friends down to the left, the Progressives. They know they have grievances; I have heard them mention them within the last two or three days. For instance, they disagree with a decision given by the Privy Council in regard to certain matters affecting their interests. They know about the case where the Canadian Pacific Railway Company refuses to pay the taxes on or take the deeds of their land, a great deal of their property escaping taxation in that way. I would ask the leader of the Progressives if that is not so.

Mr. FORKE: That is so.

Mr. MACLEAN (York): He knows the case. There is an occasion for a real grievance in respect to a decision of the Judicial Committee of the Privy Council. There are many cases of that kind and, the more this country grows the more will it be dissatisfied with the decisions made across the ocean when we have in our own country a Supreme court which is competent to deal with these matters and can better interpret our constitution than can the Judicial Committee of the Privy Council. What is good enough for Australia and South Africa is surely good enough for Canada, which preceded them in establishment as a dominion and has grown up the greatest daughter of the British Empire.

Lawyers and newspaper men may argue: "Oh, the member for South York is trying to smash the British connection." I not only heard hints of that, but the hon. member for West York (Sir Henry Drayton), in the most pedantic way, undertook to lecture me last night for indulging in intellectual gymnastics in this House. Well, now that we are talking about gymnastics I must come back at him. He himself has indulged in a species of gymnastics. I get that information from a document that came into my hands a few days ago, entitled Report re North Atlantic Steamship Combine, by W. T. R. Preston. I was reading that report, and at page 7 I found the following:

> In consequence of the continued discrimination against the products of Canadian flour mills by the North Atlantic steamship combine, the Canadian government was pressed, in 1913, by the milling interests to immediately investigate the operations of the North Atlantic steamship combine. The chairman of the railway board (now Sir Henry Drayton), was selected to undertake the inquiry, particularly with respect to Canadian overseas trade. Sir Henry proceeded to London with the object of securing such information as might be available in British government departmental records, and also in the hope of securing the assistance of the Imperial government in bringing about a more satisfactory condition in ocean transport.

And then the report goes on to say something of the—not intellectual gymnastics but physical gymnastics of the member for West York, who, under the guidance of W. T. R. Preston, went around London to smash the combine that existed in the north Atlantic steamship trade. I have heard a great many people talk about, "The flag that braved a thousand years, the battle and the breeze" meaning, mainly, the navy of Great Britain. But there is also a flag, the mercantile flag of Britain, which is older even than the

navy, and which has braved the breezes of more than a thousand years. The statements that Mr. Preston puts in this document are the result of the visit and gymnastics of the member for West York at that time, and these gymnastics are still going on. That is the greatest attack that has been made on the British flag that I know of, and apparently it was made by the hon. member for West York (Sir Henry Drayton), who undertook to tell me what I ought to do in the matter. I refuse to be told by him or by the ex-mayor of Toronto, now the member for North Toronto (Mr. Church), whether I am loyal or not. I do not have to go to these gentlemen for certificates of loyalty. I still represent in this House 120,000 people, who constitute the largest constitutency in Canada, and most of them are British born. The riding of South York is made up almost altogether of the township of York, which includes the main suburbs of Toronto, and I know these British-born men; I know what their views are. They are very British, and I had the fairness to tell some of them the other day that when they were fighting for their personal liberties in regard to certain legislation of the province of Ontario I had a great deal of sympathy with them.

My hon. friend the member for West Toronto (Mr. Hocken) who also read me a lecture, has also told these people in the last day or two in his paper, and it is a good paper, that he has a lot of sympathy with them in their fight for their liberties in Toronto. These British-born people in the township of York, and the majority of the electors there are British-born, have not a word to say against me when I have the courage to say we ought to have what the English people have, the right to make our own constitution. I am as British as they are; I am as British as the leader of the opposition (Mr. Meighen) on this subject; but I am enough of a Canadian—a one hundred per cent Canadian—to say that the constitution of Canada must be made in this country, and must be interpreted in this country by a Canadian court. We have a right to make our own court and to express our confidence in it. Now am I a disloyal Canadian in saying that? Yet that is the impression some of my friends on this side of the House have sought to give of myself. Well, let them say so; they have a perfect right to say so, but as long as I am the member from my riding I have the right to say what I think on this question.

A lot of these electors in York township that I spoke of are market gardeners and fruit growers, and these market gardeners and fruit growers in the township of York believe in a national policy; they believe in a tariff to protect the home producers of this country, and they are not going to condemn me, because I am just as British as they are. I am British enough to think that what is good enough for the great Mother Country is good enough for Canada, especially when it is good enough for Australia and even for the new state of South Ireland. The State of South Ireland is not limited in a single direction in the amending of its constitution, except in one respect; it cannot wipe out the king's prerogative; the king is the head of the state. This new state has absolute autonomy in every direction excepting that one thing. Australia also has the same right, and they are vindicating it. Are they disloyal for that? Will the hon. member for North Toronto say that the people of Australia are disloyal. Will the hon. member for West York say the same thing? Yet he has been trying to say that in the most pedantic way; I never heard such a pedantic speech as he made this afternoon. He endeavoured to say I was disloyal in such an insinuating way. He is a clever lawyer; I give him credit for that. But it is absurd to say that we in this country of ours, and that your sons and my sons after we are gone, are not to have a say as Canadians in the framing of the constitution of Canada, and I say that with all respect to my fellow countrymen of Quebec and other portions of Canada which have guaranteed rights in our constitution.

I presented only a skeleton proposition to the House. I have had a good deal of experience in this House, and time after time I have seen a man who had some proposition to put before the House sidetracked by thirty lawyers, and thirty more echoes of them. Why every silly Tommy can get up here and say the same thing. We have heard these silly Tommies charge people with being disloyal. When a proposition of this kind comes up we have to sit in this House and listen to the best lawyers we have, in the person of the Minister of Justice (Mr. Lapointe) and in the leader of the opposition, a gentleman for whom I have the greatest respect—I think he is the ablest parliamentarian in this country—but he is not in accord, he does not mesh to-day with the hon. member for South York on this question. Again I say, this is only a skeleton proposition that I have put before the House, and I would like to know how you can get a hearing in this House unless you have a skeleton proposition, and have the courage to put something in writing which you believe in. Having this proposition before us, I have no doubt that the Parliament of Canada, made up

of this House and the other House, and guided by the electors of Canada, and by the discussion that goes on in the country, and by the fairness of the Canadian people and the respect they have for minorities and for the pledges they have given in the past—I have no doubt that this parliament and the citizenry of Canada will be able to deal fairly and justly with a question of this kind. But we have had to sit here and listen to these lawyer statements—and you can get a lawyer to make any kind of a statement, and he will give you the very opposite opinion the next day, for a retainer. It may be a laughing matter: It it is to me a laughing matter to see such a collection of arguments coming up on a serious question like this. I have presented this question in the most serious way. I did not raise it because of any recent decision in England. I have taken pains to study the question; I have worked on it and I got advice on it a year ago, and then I framed up a skeleton proposition which I thought was a good proposition on which to get a discussion of this question, and that it is a live question is shown by this full House here to-night. If I were talking rot would there be any person in the House?

Mr. SHEARD: Yes.

Mr. MACLEAN (York): My hon. friend would be here. I never saw such a good judge of rot as he is. But in all seriousness I beg to say to my fellow members that this debate does not end this question. I am going to say the same thing to my constituents, to the electors of South York, when I go back into that part of South York which I have represented for thirty-three years and which may go into West York and I will be very glad to have my pedantic friend express his view. I do not know what the dictionary derivation of "pedantic" is, it probably comes from one of the old Greek roots; but the dictionary tells us that a "pedant" is one who assumes an air of superiority over others with whom he is associated. I hope that I have never been guilty of assuming an air of superiority over my fellow members; I have been a pretty fair friend even to some hon. members who have undertaken to flagellate me for what I have said here.

Some hon. MEMBERS: Shame.

Mr. MACLEAN (York): Will these hon. members undertake to stand up and say that I am disloyal? Will the hon. member for North Toronto arraign me before the electors of the old town of North Toronto, still in my constituency, on the charge of being disloyal? Will the hon. member for West York also do that? And yet that is practically the argument of my hon. friends—that I was disloyal, that I was preaching disloyalty, because I thought that my country, that your country and the country of your sons and daughters, ought to have the same status in regard to her constitution and the interpretation of it as the Mother Country, as Australia, as South Africa, and even the Free State of Ireland have.

Now that is the issue. You can do what you like with it. You can vote it down. The feeling of the House may be that this question should be allowed to drop to-night. I would not object to that, but if it is done the verdict of the people will be that this House had not the courage to deal with the issue that the member for South York presented on this occasion. I want to know whether the Progressives are prepared to deal with this question? Do they know anything about any injustice that was done to them by the Privy Council that I hinted at a little while ago? I think they know, and this House knows, and the Prime Minister and his party know that there is something wrong when they have intimated in the press that they are going to summon some kind of a conference of the provinces to consider this question. That is my justification to-night, the Prime Minister and his party say they are going to do something in the way of reform. They are going to do something in the way of reform to the upper house, and I agree with one of the hon. members from Quebec in what he said this afternoon. There is something wrong with the upper chamber. I am quite frank in speaking about these things, and I do not think I am guilty of any breach of privilege in alluding to the question. The people of Canada believe not only in the right to make their own constitution but in a senate elected or selected by the several provinces. The Senate has just as much need to be elected as the House of Commons has. It should not be appointed as it has been. It was all right to start with, but now the system is a wrong one and the wrong must be righted. The several provinces of Canada are entitled to elect their own senators just as they do in the United States. And we are located alongside that country and this parliament is confessing that we should not amend our own constitution and should not choose our own senators in the way they do. And speaking of the House of Lords in the Old Country the growing feeling in England is that the House of Lords as at present constituted must be changed. The principle of election, even of an upper cham-

ber is growing in England itself, and it is growing all over this world. There is a time when a man's usefulness may be near its end, but it never ends so long as he holds an appointed seat in the Senate of this country. That is not a very pleasant thing to have to say, but I have enough courage to say it; and if the Prime Minister states "I am going to call a conference of the various provinces to deal with one question and that is the selection of the Senate in this country" I believe he makes the first step in the desired direction. The Prime Minister says he is going to make it. On the other hand the right hon. leader of the opposition declares that he has simply made the promise and that will be the end of it. Well, I am going to "wait and see." That is what the Prime Minister has laid down to-night. But how long have we got to wait and when shall we see? Talking about "seeing" I do not see the Minister of Justice here to-night. He gave a fine legal opinion last night, but he is not here to-night to uphold it. Where is he?

Mr. MACKENZIE KING: He is at the West Hastings banquet.

Mr. MACLEAN (York): I hope he will have a good time, but that is not discharging the duties of Minister of Justice for Canada when an important question like this comes up; and if he goes to many banquets we shall have to wait a long while to see. I could talk on this line a great deal longer.

Some hon. MEMBERS: Go on.

Mr. MACLEAN (York): No, I am not going on, but I am going to say what I have said here in my own constituency, I am going to say the same thing elsewhere in the country. My good friend from West Toronto made reference to a newspaper with which I was once connected and to the views which it advocated. I have a faint suspicion that some day the Toronto World may revive and take the lead in the campaign which I have started in this House.

Mr. HOCKEN: When will it start?

Mr. MACLEAN (York): "Wait and see." I could say something more about newspapers if I cared to but I do not want to talk about that subject; the people are getting wise to it now. I am going to leave this question now with the consent of the mover of the resolution. I want to thank the hon. member for Southeast Grey (Miss Macphail), the only lady member of this House, for seconding my motion. I have got more support from the women in this matter than I have from the men. We are going into an election here and in England, and there is this surprising feature about it: In the next election in Canada there will be more names of women on the voters list than there will be of men. In my own constituency right now there are lots of women voters and I go out and talk to them. And they talk too, they talk about the tariff and the constitution of this country, and they listen. A lot of women are going into the next election and much will depend on the question that I have raised here, whether Canada is a nation or not, whether this parliament is competent or incompetent, and on questions of that kind. This subject may be dropped to-night, but great headway has been made by Canada to-day toward the achievement of independence in her own sphere, while still remaining the strongest support of the Mother Country. We are able to administer our own constitution, able to make it, able to interpret it and able to live up to it and to make Canada the greatest country on the face of the globe to-day. I will withdraw the motion and leave the responsibility on parliament for its treatment of it.

Mr. WOODSWORTH: Since the main motion has been withdrawn I feel that no good purpose will be served by retaining the amendment. The Conservative party seem to be so hopelessly shattered, and the Prime Minister and the leader of the opposition so hopelessly united, that I think we cannot proceed any further in the matter.

Amendment withdrawn.

Mr. IRVINE: In view of the fact that the promise given to the House by the Prime Minister was virtually what I included in my amendment, with the consent of the House I ask leave to withdraw.

Amendment to the amendment withdrawn.

Mr. FORKE: May I say a word now?

Mr. SPEAKER: The resolution is in possession of the House and can only be withdrawn by leave of the House.

Some hon. MEMBERS: Withdraw.

Motion withdrawn.

COPYRIGHT ACT AMENDMENT

Mr. E. R. E. CHEVRIER moved the second reading of Bill No. 2, to amend and make operative certain provisions of the Copyright Act, 1921.

Mr. MEIGHEN: I do not pretend to know very much about the law nor about the Copyright Act as it stands, but I do know

this, that very strong representation has been made against this measure, and it seems to me that before the second reading is passed, which virtually confirms the principle of the bill, the state of the law should be briefly expounded, the effect of the amendment briefly explained and the judgment of hon. members who have followed this law given for the benefit of us all.

Mr. CHEVRIER: In view of the statement that has just been made as to the opinions of lawyers, I feel rather diffident about expressing an opinion now, but I quite agree with the words of the right hon. the leader of the opposition (Mr. Meighen) that the copyright law is at present a very complicated matter. If I had to quote authority for that I would refer to the debates that took place in this House and in the Senate in 1921 and 1923 when a number of distinguished members took part in the discussion including some ministers and ex-ministers, and the statement was made that nobody in this House apparently understood this law. It is rather a difficult situation to be placed in to be asked now to explain this law, but I think a synopsis can be given in a very few words. In 1886, at Berne, a convention was arrived at relating to international copyrights in which the leading nations of the world took part and became adherents to that convention. Britain was one of the parties to the Berne convention and extended to Canada the operation of this international copyright law. Canada nevertheless had its own domestic copyright law, chapter 88 of 30 Victoria, 1875. In 1908 the Convention of Berne was revised. Britain continued to adhere thereto, but did not extend the dispositions thereof to Canada. It was not until 1921 that the present Copyright Act was passed, containing most of the dispositions of the Berne convention but containing contrary to the convention the licensing clauses. The object of this bill is to correct these objectionable features, which are objectionable to those for whose benefit the copyright law was first instituted. I refer to sections 12, 13 and 15. Moreover, all through the act definitions have been left out as well as means of remedy. There have been omitted also certain rights of authors, of printers and of people who may enjoy the benefit of the reproduction of works. After all the main point at issue is really the repeal of the licensing clauses. It would be presumption on my part to endeavour to explain the intricacies of this legislation at this time, although if the House will bear with me I will endeavour to do so.

[Mr. Meighen.]

If the House will permit, I think the best way of dealing with this legislation will be to submit it to a special committee. When this law came up in 1923 it was discussed fully, and I find the hon. member for South Wellington (Mr. Guthrie) stated at that time:

> In the meantime my suggestion to the minister in this matter would be, seeing the bill is going to raise a good deal of controversy upon very difficult points, to refer the measure to a small select committee, representative of the different parties in the House, and ask the authors, the publishers and the printers to state their case.

Then the hon. member for South Simcoe (Mr. Boys) said:

> I would like to support the suggestion of the hon. member for South Wellington (Mr. Guthrie) that a small select committee be at once appointed.

And then later on in the debate the suggestion was repeated. This time the hon. member for South Wellington (Mr. Guthrie) said:

> I was satisfied when the bill was up before, and I am just as firmly satisfied now that apart from the minister himself there is not a man in the committee at this present moment who understands this legislation.

Further on, he said:

> I have tried to get to the bottom of this matter; I have spent a lot of time on it and I confess I do not fully understand it now. My suggestion to the minister, when the bill was last up, was that he appoint a small committee, as was done in 1921, before whom the authors, publishers and printers can appear and state their claims. The committee will have to go to the bottom of the matter and report on this bill. I understood that my suggestion on that occasion agreed with the view of the minister. The hon. member for Brandon (Mr. Forke) backed up the proposal very emphatically. He said that he did not understand it, that the committee did not either, and he refused to commit himself to legislation which he did not understand. I do not know anything quite as complicated or quite as involved as the copyright question.

He requested that a committee be appointed. For the same reasons I now ask that the consideration of this bill be left to a special committee.

Hon. HUGH GUTHRIE (South Wellington): Mr. Speaker, my attention was not called to this bill until a moment ago, and I have just had an opportunity of glancing over it very hurriedly. I remember when the bill was before the House some two years ago. At that time I took some interest in it and some part in the discussion, and I think my hon friend (Mr. Chevrier) has correctly quoted me. The opinion which I then held, I still hold, that this bill deals with one of the most involved and intricate matters that can come up for consideration by this parliament. I am quite satisfied that the proper mode of procedure is by a special committee. Personally, I would have no objection whatever

to the motion that this bill be referred to a special committee. I see that the very sections which, after a great deal of consideration and much discussion, we enacted two years ago, the present measure seeks now to repeal. I know that as soon as the fact becomes generally known throughout Canada that it is the intention to repeal those sections, many interests which are now dormant will take an interest in the matter, and one of them in particular. The effect of the amendment, as I am able to determine it from a mere glance at the provisions, is to change those provisions of our former act which compelled the manufacture of the literary work in the Dominion of Canada. The object of the main section of the former bill was to compel the manufacture or the printing of the literary work in this country under a system of license which was approved by the House at that time. The main object of the present bill is to take away that protection which we then afforded to the printing establishments and printers of this country and to allow authors to have their works printed in foreign countries and sent into Canada on particularly favourable terms. I do not wish to be one of those who are going to assent to the principle of this bill at present; but subject to that, I think the hon. member who has introduced the bill has taken the proper course in asking that it be referred to a special committee of this House.

Mr. H. C. HOCKEN (West Toronto): Mr. Speaker, before this bill goes to a committee, I should like the House to understand its significance. As my hon. friend has stated, this bill was passed in 1921, but it was found that in one particular it infringed the provisions of the Berne convention, so the act was not brought into operation. But in 1923, as you will see if you examine a copy of the bill, certain amendments were made to bring it within the Berne convention. My hon. friend has told the House that the bill bears hardly upon the authors. I do not think he can maintain that position. At the present time a Canadian author who sells his work to a United States publisher must throw in his Canadian rights. Under this law he may throw in his Canadian rights, but unless the American publisher publishes the book in Canada, some other publisher may take it and print it; but if he does so, the author must be paid for that. Therefore, if his work is sold to the United States and published on this side by another publisher, the author gets not only his price from the American publisher, but the license fee from the Canadian publisher.

Mr. CHEVRIER: Who controls the price which he will receive for selling his rights under the license system?

Mr. HOCKEN: I understand there is in the Copyright branch an official who referees in matters of that kind and surely we can leave it to him.

Mr. CHEVRIER: Can my hon. friend say why the estimation of the monetary value of the product of the brain should be left to an officer of a department, whereas one can sell boots and shoes at any price one wants?

Mr. HOCKEN: That rather begs the question because, if the work is sold in the United States, if the licensing clauses are repealed, the author is done. He does not get anything more than what he gets from the publisher in the United States. If the licensing clauses remain, there is a chance, if his work is of any value, of its being published in Canada and his receiving that additional sum. Whether it is one official or another that decides what the amount is, there will be some amount, and whatever it is, great or small, the author is that much to the good. I do not think it can be maintained that any author has suffered, in the slightest degree, from the operation of this section.

Mr. CHEVRIER: If it is such a good disposition in favour of the printers and others, how many licenses have been asked for during the last two years? The authors certainly would not ask for licenses.

Mr. HOCKEN: I may point out to my hon. friend that this licensing section and this act have not been in operation for two years.

Mr. CHEVRIER: Since 1921.

Mr. HOCKEN: It was passed in 1921 but it was not brought into operation then.

Mr. CHEVRIER: Does my hon. friend know that not one license has been granted?

Mr. HOCKEN: I do not. On the contrary I know that some licenses have been granted, certain works have been published and certain publishers have been able to make arrangements to publish those under the licensing sections. At a later stage, I might give my hon. friend the names of the books and stories and of the publishers.

Mr. CHEVRIER: Serials.

Mr. HOCKEN: Let me point out to the House that this act with its licensing sections, has been in force only one year. The thing is new to the Canadian publisher. You

cannot really expect many or great results from the operation of an act of this kind in one year's time. Therefore I do not think it is fair to say that if there have not been many results, the thing is a failure, and I do not think it can be shown by any person that the author of any work in the Dominion of Canada has suffered in reputation, in pocket, in any way. On the contrary his works are now available for publication in Canada if his United States publisher refuses to come here and do that work. Of course, I have no objection to the bill going to a committee; but, like the hon. member for South Wellington (Mr. Guthrie), I do not propose to accept the principle of the bill and I will give it such opposition as I can, because if the author suffers nothing, as can be maintained, there are other interests, the interests of workingmen who set the type, who do the binding, the press work, and there are the interests of the publishers of this country which are in a sad enough state, as we all know. Those must be considered as well as the interests of the author.

Mr. CHEVRIER: There are nineteen amending sections in the bill and I understand the hon. gentleman to take exception to section 5, so that there are eighteen other sections to which he makes no reference. Does he imply that those eighteen sections do not interfere with his rights at all but apply solely to the authors themselves? If that is the case, why throw out the bill?

Mr. HOCKEN: I am referring to what I think is the most important and serious proposal the hon. member makes. I do not think that the House expects us to deal with the subject exhaustively to-night but I do wish hon. members to know, before the matter goes to the committee, that the bill was passed after serious consideration by a committee of this House, and that in its operation no Canadian author is injuriously affected whereas, on the other hand, many interests, including the works of working men in this country, are assisted in the process. If that can be shown then I submit that this House should hesitate before making the changes which my hon. friend proposes.

Mr. FERNAND RINFRET (St. James): With reference to the remarks of my hon. friend (Mr. Hocken), I would remind the House that this bill was passed in 1921 in a spirit of compromise and that it was put into force in 1923, again in a spirit of compromise. It was a very comprehensive measure as it was brought into the House by the Hon. Mr. Doherty in 1921, and it was sent to a special committee of which I happened to be a member myself. We were able to agree on practically every clause except the licensing sections, and we agreed at the time in committee that when the bill should come before the House exception would be taken to these sections. Exception was taken at the time; I voiced it myself, and other members spoke as well, pointing out that they were not in conformity with the Berne convention; and the Minister of Justice of that day agreed that if this allegation could be proved the clauses could be withdrawn later on. He suggested, however, as a matter of compromise—and I insist on that—that we should let the bill pass anyway and be incorporated in the statutes. That is why the bill as it passed in 1921 contained in section 50 the proviso that it would come into effect only on a day to be fixed by proclamation of the Governor in Council. Then there was a change in the government of the country and in 1923 I placed a resolution on the order paper proposing to withdraw the licensing clauses. The then Minister of Trade and Commerce brought down a bill to the very same effect and this obviated the necessity for my resolution. When that bill was discussed in the House exception was taken to it by the hon. member for South Wellington (Mr. Guthrie) and other hon. gentlemen. Finally the government brought in an amendment to that bill, which was virtually an admission that the licensing clauses as they stood in the 1921 bill were not in accordance with the Berne convention.

Mr. HOCKEN: That has been remedied.

Mr. RINFRET: I am coming to that. I hold in my hand the official document from Berne to that effect. It was contended that if Canada wished to adhere to the convention the terms of the licensing clauses should not apply to other nations, although there was nothing to prevent this country from applying it to its own writers. The effect of the amendment brought down by the then Minister of Trade and Commerce was precisely in the terms I have stated, namely, that these clauses should apply to none but Canadian writers.

Mr. HOCKEN: And those of the United States.

Mr. RINFRET: Yes. At the time of the third reading of the bill I did make a statement to the effect that that amendment would certainly not suit the purpose of Canadian writers. We took the stand that as the Copyright Act as a whole was quite comprehensive, as it touched other interests, in the field of phonograph records, for instance, as well as in other directions, we were very

10 p.m.

anxious to have the bill go through as it was tentatively. For that reason we did not press the objection. I must repeat, however, that we never agreed to the special clauses that are now dealt with in the bill brought down by my hon. friend (Mr. Chevrier), and I take exception to the statement that has been made, that this matter was dealt with by parliament and was practically decided on. That is not the case at all. It was shelved and put aside and we agreed to come to it later on. We did not want to block the bill as a whole and that is why it was adopted in 1921 and again, as amended, in 1923, and put into force in 1924, early in January. We are moving for special amendments of a minor character and we also wish to deal with the licensing clauses. As has been stated, however, the matter is a very complicated one and for that reason we desire to have it thoroughly discussed before a special committee. This, I think, is a fair statement of the case. I am not prejudiced at all; I may be convinced tomorrow that the sections in question should remain in the act. But I think it would be a good thing to take them up before a special committee, and that is why I propose that the bill be read the second time and be referred to the committee. I shall have the honour to second my hon. friend's motion.

Hon. A. B. COPP (Secretary of State): Since the bill was introduced I have read it carefully and I agree with hon. gentlemen as to its complexity; it undoubtedly is both complicated and technical. I do not agree with the view that in allowing the second reading of the bill we are necessarily committing ourselves to its contents; in adopting the motion for second reading we are merely approving the necessity for an amendment. It would be impossible to discuss this measure properly in committee of the Whole and it would seem desirable to refer the matter to one of the standing committees. These committees, however, are rather large and I can see no objection to a special committee being appointed. For myself, however, I want to make it perfectly clear that in accepting the second reading of the bill I do not thereby necessarily accept the measure in detail. It seems to me that the bill is one that should receive very careful consideration.

Motion agreed to and bill read the second time. Mr. Chevrier thereupon moved that the said bill be referred to a special committee with power to send for persons, papers and records, and to hear evidence and report from time to time.

Motion agreed to.

CRIMINAL CODE AMENDMENT—PRINTER'S LIABILITY

Mr. A. W. NEILL (Comox-Alberni) moved the second reading of Bill No. 3, to amend the Criminal Code—Printer's Liability.

He said: Mr. Speaker, this bill, which I introduced last year and which did not go beyond its second reading on account of private members day having been absorbed by the government, simply requires that every document or circular printed for publication and distribution shall bear on it the name of the publisher. There is also a provision requiring the printer or publisher to retain for six months a register of those who have employed him to do this printing, in order to afford facility to find out who the author of any particular document of that kind is. The reason for this legislation is as follows: During the war the public came to appreciate more perhaps than ever before the value of propaganda. And it did not cease with the war; it is a common practice nowadays, by means of anonymous documents, to seek to promulgate propaganda which is not always of a desirable character. False statements, libelous statements, scandalous statements, can be circulated in that way without recourse against the author who remains anonymous. They are also used for the circulation of seditious statements. I have in my hand one of these pamphlets which has been circulated. I shall not weary the House by reading it all, but I shall just quote one or two sentences. It goes on to state that the late war was all the cause of England. It says:

> Kaiser Wilhelm's telegram to Kruger, the president of the Transvaal, was the answer of brave Germany to the treacherous English.

Again I find this expression:

> Under the circumstances it is very logical to find this English monster, with all his power of wealth and cunning craft, acting against the interests of humanity.

And again:

> He will ruin the industries of all the nations for the benefit of tiny England. He will try his best to perpetuate disunion between different peoples. It will be, indeed, a hell on earth.

He winds up with the expression:

> I simply speak in the interests of our common human family.

The gentleman who sent me this document writes in part as follows—and I would particularly commend the opening paragraph to my hon. friend the member for George Etienne Cartier (Mr. Jacobs). He says:

> Enclosed find a small pamphlet which might come in handy if some of our well-meaning but ill-informed M.P's from the east should again bring forward the matter of giving the supposedly greatly abused and loyal Hindus of British Columbia the right of franchise.

Of course I am now dealing with the matter from another aspect. Further on he says:

> It would be well within the lines of conservative truth to say that the sentiments of this pamphlet are cherished as gospel fact and concurred in by ninety per cent of the Hindus of British Columbia. I myself, after working with them for eighteen years and after having conversed with many of the smartest men, have invariably found this so. The enclosed pamphlet is receiving wide circulation in Hindu among their own people and also in English among the Asiatics who can speak our language. Read and judge for yourself its effect upon ignorant people.

If precedent is needed for this legislation I can point to the Dominion Elections Act, which makes it a criminal offence and, I think, disqualifies a man for seven years, if he circulates practically any statement about his opponent. If it is considered wise to prevent even the making of a remark about your opponent during an election in the form of a circulated document, it surely cannot be very far wrong to take steps against anonymous utterances against your neighbour in a community.

You will note, Mr. Speaker, that the bill does not prohibit the publication of those statements, because it might be a question whether they were right or wrong; it only affords some clue, so to speak, as to who is the author of them. I might further mention, in the matter of precedent, that the act upon which this is founded has been in force in Britain since 1839 and no fault has been found with it in that regard.

I may say further that subsection 334 of the bill provides ample exemptions to take care of any possible injustice that could occur. You will see that everything is provided for that could reasonably require consideration in that connection. I have pleasure in moving the second reading of the bill.

Mr. SHAW: May I ask my hon. friend before he concludes whether he has received any legal advice as to whether or not this bill is within the competence of this parliament?

Mr. NEILL: It has been suggested to me that the bill might meet the fate of what is known as the Lemieux Act, on the ground—and I think the argument is somewhat far-fetched—that it would traverse the jurisdiction of the provinces, which has to do entirely with civil rights, and might therefore be ultra vires of this parliament. Well, I think that is carrying to an extreme and absurd degree the principle on which the Lemieux Act was thrown out. If we are prepared to accept a decision of that kind we may as well tear up half our statutes, notably the Criminal Code. I picked up at random a few instances of clauses of the Criminal Code which might equally be held to be ultra vires if this one is. Here are some of them: The Criminal Code makes it an offence to disturb divine worship. I think it will be generally agreed that divine worship is a civil right rather than one of Dominion jurisdiction. Again, a breach of contract is made an offence under the Criminal Code. Well surely a breach of contract is a civil right and would therefore be held to be under the jurisdiction of the provinces. The matter of issuing trading stamps should, I think, be considered one of civil rights. The sale of a wreck without sufficient title comes within what may be regarded as civil rights. The leaving of a quarry unguarded; writing on or interfering with municipal election documents, interfering with private fishing, or, to come down to such small items as these, interfering with a grape vine or a vegetable—I should suppose that any rights with respect to grapevines or growing vegetables would be under the provincial jurisdiction. There is also a somewhat similar item to what I am discussing now; anyone who prints an advertisement offering a reward for a stolen article and undertakes to ask no questions, is liable to prosecution under the Criminal Code. Well, if the matter dealt with under my bill is a civil right, I presume that one would be also. I could refer to a number of other similar instances, but I have given enough to illustrate the idea that if we are going to accept the suggestion that this bill is only intra vires of the provinces, then we are going to eliminate half the Criminal Code, and many of our statutes would be in the same danger. I would suggest that as the question has not been raised in any authoritative way, it would be well to proceed with the act and it would be upon anyone who suffered from its provisions to raise the questions and take the matter to the Judicial Committee of the Privy Council—which I think is an extremely unlikely thing to happen.

Motion agreed to, bill read the second time, and the House went into committee thereon, Mr. Gordon in the chair.

Bill reported.

DIVORCE

On the order:

Second reading of Bill No. 4, respecting Divorce.

Mr. JOS. T. SHAW (West Calgary): Mr. Speaker, I have been requested on behalf of the Minister of Justice (Mr. Lapointe) to allow this order to stand. I am glad to accede to that request.

DOMINION ELECTIONS ACT AMENDMENT

Mr. WILLIAM IRVINE (East Calgary) moved the second reading of Bill No. 5, an act to amend the Dominion Elections Act.

Mr. McMURRAY: Explain.

Mr. IRVINE: Mr. Speaker, in moving the second reading of this bill I would like to make it clear that I do not by any means think that if we were to pass this bill we would have a very good Elections Act. I think there are many other points in it that might well be dealt with, but I am proposing the repeal of these clauses 10 and 11 because they are more discriminatory against organized labour. Large corporations have had for a long time the name of corrupting political parties by their donations. I do not know whether they have done so or not, but I must confess I feel a little afraid as a member of the Labour party lest the Bankers' Association or the Manufacturers' Association may make large donations to us before the next election and possibly help corrupt the Labour party by donating too much money. At any rate there is a possibility of that.

Mr. McMASTER: Remote.

Mr. IRVINE: I agree it is very remote, but we ought to be very careful even against remote dangers. However, I will take the risk and ask that these clauses be removed from the statute book.

The purpose of clause 10 of the Dominion Elections Act evidently was to prevent large corporations from making donations to political parties. If this was not the intention, then it was the excuse for inserting this clause, and the covert purpose would be to prevent farmer and labour organizations from taking political action and from financing their political movements. I assume the original intention was to prevent large corporations from contributing to party funds. I ask that this clause be repealed because of its impotence to do that for which it was intended. It may, of course, be debatable whether or not a company should be prohibited from contributing to a political party which adopts policies which may be favourable to the interests of that company, but granting for the moment, for the sake of argument, that it is not advisable that a company should contribute from its funds for political purposes, I contend that it is not practicable to prevent them from so doing by clause 10. The best that section 10 could possibly do would be to effect an alteration in the manner in which the companies contribute. The funds would flow a little more circuitously, but they would be none the less bountiful than they were before this clause was inserted in the law. Economic interest is a much more potent factor in political affairs than pious wishes or legal clauses drawn on moral grounds. We cannot make a corporation moral by a legal clause, any more than we can make an individual moral by a legal clause. I affirm that new ways of contributing have been found, and new ways will be found of evading any such legislation. The letter of this particular section of the law is being praised, and its spirit is being mocked. Not only should this clause be repealed because it does not hinder corporations from contributing, but it should be repealed because of its influence towards anarchy. It is much better I think, and I am sure the House will agree with me, to have no law than to have one that people enjoy evading, a law that people actually play with as a game to see how easily they can get around it. Clause 10 affords such a pleasure to those who might be making large contributions to election funds. By this clause the pain of contributing would be offset to a considerable degree by the amount of pleasant excitement which the donor would receive from dodging the law in giving. It becomes a game to break the law. There were too many of these laws before this one came. I am not convinced, Mr. Speaker, that manufacturers or any corporation should be stopped from contributing to political parties; I am convinced that they cannot be stopped by legislation of this kind. I am also convinced that we should stop trying to stop them from contributing if they want to, and for that reason I ask that this clause be repealed.

But there is another reason why this bill should pass and that is that clause 10 of the Dominion Elections Act is much more effective against labour than it is in preventing corporations from contributing to election funds—the purpose for which it was presumably drawn. Large amounts could now be contributed under clause 10 by individuals for corporations and the penalties of the law be very easily evaded, but this is not so in connection with labour unions. This cannot happen in the case of labour because we have no very wealthy labour men who are prepared to donate five or ten or one hundred thousand dollars to an election fund. Election funds in the case of labour have to be collected in twenty-five or fifty cent pieces from individuals. Consequently, while this section may be very easily got over by those corporations against whom it was drawn, labour cannot avoid it quite so easily. It is

true, of course, that provisions are made for the incorporation of any association of people for political purposes, and this incorporation would afford them the right under the law to contribute and collect funds. I want to point out that the labour organization in Canada are not in a position to avail themselves of this part of the election law. The labour organization is an industrial organization, it is acting under an international constitution, and that international constitution prohibits it from becoming incorporated for political purposes. For this reason the labour organization is unable to do what the organized farmers had to do in order to avoid the penalties of this section. The latter body became incorporated for political purposes and thus fulfilled the demands of the Dominion Elections Act. But labour is not in a position to do that, and consequently this section causes a particular hardship to fall on the labour organization. Now labour people hate to have to dodge the law for the contribution of a quarter or fifty cents as the case might be. If it were $100,000 or so, it might be worth the trouble, but when it is the case of a small donation, perhaps given by a trade union voluntarily, it is impossible for them to get around this act without a great deal of inconvenience. I contend, therefore, that this section should be repealed in order that a labour organization might voluntarily vote money to the funds of any party—Conservative, Liberal, Progressive or any other party—that they might wish, and that legislation which stands in the way of this voluntary action is certainly reactionary.

There is another point to which I would like to draw the attention of the House in this regard and it is, that this is one more means which stands in the way of preventing organized labour from seeking to take action in a constitutional manner. Much talk has been uttered in the past about the industrial action which labour men throughout Canada had taken at various times; it has been contended that they should adopt political methods, and that they should take political action and bring their grievances to parliament. But when they begin to take such action as is termed constitutional they find section 10 prohibits them from adopting that method. Perhaps at this point I had better read section 10 in order that there will be no misunderstanding as to what its import is. It reads as follows:

> 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 political party, committee, or association, 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 money so used.
>
> Every director, shareholder, officer, attorney, or agent of any company or association violating the provisions of this section, or who aids, abets, advises, or takes part in any such violation, and every person who asks or knowingly receives any money or its equivalent in violation of the provisions of this section, is guilty of an indictable offence against this act punishable as in this act provided.

Mr. ARCHAMBAULT: Do I understand that the principal object of the bill is to allow labour organizations to contribute to electoral funds?

Mr. IRVINE: Yes, the principal object I am seeking to gain by asking a repeal of this section is that labour may be allowed to contribute to election funds.

Mr. ARCHAMBAULT: May I suggest to my hon. friend that an amendment to the section would serve his purpose, an amendment just putting in two or three words after the following:

> No unincorporated company or association and no incorporated company or association other than one incorporated for political purposes—

I suggest the addition there of the words: "or labour organization". That would serve the purpose of my hon. friend.

Mr. IRVINE: I am quite aware that such would have served my purpose, but having discussed this matter with a goodly number of the members of the House I found they would be more willing to repeal this clause than to grant a particular privilege to labour or to any other group of people in the country. I felt also that I did not wish to ask even for a labour organization what I was not prepared to grant to similar organizations throughout Canada. Therefore I came to the conclusion that the best thing to do would be to repeal the whole clause.

I would also draw attention to section 11 which this bill also proposes to repeal. Perhaps I had better read that section. It says:

> Any person, not being an elector or a candidate, who resides without Canada and who, to secure the election of any candidate, canvasses for votes or in any way endeavours to induce voters to vote for any candidate at an election, or to refrain from voting, is guilty of an indictable offence against this act punishable as in this act provided.

I do not know any case where this has been enforced; I think it would be too absurd to be enforced. We often have labour men from Great Britain who write to our papers at election time. They might possibly be coming to this country during an

election, and we could not ask even Ramsay MacDonald, the ex-premier of Great Britain, to take part in an election in Centre Winnipeg, because this particular section would prohibit us. That I say is absurd.

Mr. JACOBS: Would it not be the height of bad taste for Mr. Ramsay MacDonald to come in here and assist any person to carry an election?

Mr. IRVINE: Possibly it would. It is not a matter of taste that I am dealing with, it is the matter of the absurdity of this provision in the law. I think we can take it for granted, however, that if taking part in an election involved any flagrant departure from good taste a man of the calibre of the ex-premier of Great Britain would not take advantage of it. Consequently we do not need to have any precaution against that kind of thing. I want to say to my hon. friend that it is not unknown for Canadians to take part in elections in Great Britain, and there are no provisions in their statutes which prohibit us from doing that. I do not see why we should have such a ridiculous provision as this which might be used against perhaps very eminent men or women from Great Britain. I do not think it is necessary to argue this thing. I repeat that it is absurd. It is not enforced because of its absurdity, and why it should be here as a club over the labour organizations I fail to see. In conclusion let me point out, Mr. Speaker, that in the Election Act of Great Britain provision is made for labour people to contribute to election funds. I would also point out that in the memorandum submitted by representatives of organized labour in Canada to the government this year the repeal of these sections is urged. I hope the House will agree with me that it is in the interests of good law and the interests of Canada as a whole that sections 10 and 11 should be repealed.

Hon. E. J. McMURRAY (Solicitor General): The bill which the hon. member for East Calgary (Mr. Irvine) has presented to the House for second reading is one of great importance and very sweeping. Sections 10 and 11 of the Dominion Elections Act of the year 1920 were passed in this House under the guidance of my hon. friend from South Wellington (Mr. Guthrie), who was then Solicitor General, and they were fully debated and carefully considered by the House at that time. Even then there was nothing new in the matter then incorporated into those sections. They both came down from the year 1908 with some slight amendments. In fact I think the first one went back as far as 1898. The provisions made in those sections are really very essential and very necessary The debate held in 1920, when the whole Elections Act was drafted, dealt with the necessity of preventing corporations using their funds in elections. The necessity of that is very apparent. It was a fact that in this country, and in the United States and other countries, large interests and corporations had not hesitated at times to use their funds in election matters, and the following section was passed:

> 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.

A political association can be formed and moneys can be contributed by that association, but this went further and said:

> Every director, shareholder, officer, attorney, or agent of any company or association violating the provisions of this section, or who aids, abets, advises, or takes part in any such violation, and every person who asks or knowingly receives any money or its equivalent in violation of the provisions of this section, is guilty of an indictable offence against this act punishable as in this act provided.

And the fine for the violation of this section was increased, I think rightly and properly so. The reasoning of this would be very apparent. This is not aimed at labour, as my hon. friend the mover of the bill suggests at all. It is broad and involves all corporations. The necessity is plain. Funds in a corporation, and funds in a labour union are there for specific purposes. What right has a corporation to use funds for election matters when these funds were subscribed for an altogether different purpose? Now section 11 reads:

> Any person not being an elector or candidate, who resides without Canada and who, to secure the election of any candidate, canvasses for votes or in any way endeavours to induce voters to vote for any candidate at an election, or to refrain from voting, is guilty of an indictable offence against this act punishable as in this act provided.

The notable point about that section is that it deals with the period during which an election is in operation, and that is defined by clause (d) of the interpretation, which says:

> "During an election" or "at an election" or "throughout an election" includes the period after the issue of the writ for an election, or after the dissolution of parliament or the occurrence of a vacancy in consequence of which a writ for an election is eventually issued, until the elected candidate is returned as elected.

That simply prohibits people from outside of Canada, at the very period when an elec-

tion is going on in this country, a matter of 30 or 40 days, from coming here and canvassing for votes, and taking a part in the election, and the reason for it is very apparent. We have embodied in this act measures to see that elections are conducted properly, and that no irregularities shall occur, and if outsiders were allowed to come to Canada they would be at liberty to conduct elections in a way that people at home here in Canada could not do and readily escape back to their own country. This applies not only to labour, but it is applicable to all classes of people. Wealthy corporations in the United States, with branch offices in Canada, cannot come into this country and canvass and take part in an election or induce the people to vote or to refrain from voting. The hon. gentleman who promotes the bill has laid stress on these two subsections as being calculated to injure labour. That was not the intention at all. The very language of the clause does not indicate that. It applies to all sections of the community, to all occupations, to every type of citizen at an election time. As another hon. gentleman pointed out, it would be very easy for the mover of the bill to have excepted labour unions or trade unions in this clause. Not content with doing that he actually proposes in this House to sweep out all these safeguards that protect us from fraud, and so on, at an election time, and in that way I say that the bill he has proposed is very vital and very serious.

Mr. SHAW: May I ask the minister if an exception with respect to labour were incorporated into the existing legislation would he approve of it?

Mr. McMURRAY: I would say to my hon. friend—and I intended to mention it in any event—that the government proposes before the close of the session to introduce a bill introducing some amendments to the Elections Act. There have been several reports made by the electoral officers since the Dominion Elections Act was passed. There are some amendments not of a sweeping character that we feel the House would concur in fully, and when sufficient information can be gathered a bill will be brought down in due course, but I would suggest to the mover of the bill that it would be better possibly if he would drop the bill; and consideration might be given to his proposal. I cannot urge him to drop it. The government bill will be considered in committee, and he will have a chance in committee when the bill is brought down to discuss the question he has raised in this House. But the House will see that this bill as drafted is simply sweeping away what has been on our statute books for a long time and exists there of apparent necessity. The government could not consent to the passing of the second reading of this bill at the present time.

Mr. IRVINE: Since this legislation has been on the statute books for so long, can the minister say that he thinks it has been effective?

Mr. McMURRAY: I think there is no doubt of that at all. I cannot tell what corporations might have done if the act had not been passed. We find it necessary to pass many laws against crimes of all kinds and generally they are effective, and I presume this law has been effective in this case. Surely the hon. member would not propose to throw down all the safeguards that we have.

Mr. LADNER: Does the minister find any objections to provision being made by which labour organizations could provide funds for political purposes, such as is proposed in principle by the mover?

Mr. McMURRAY: That is a matter for the deliberate consideration of the House. No man in this country is more friendly to labour than I am.

Mr. IRVINE: Answer the question.

Mr. McMURRAY: There would be great difficulties in that. Supposing my hon. friend was a member of a trade union and he put his money in it for the purposes of trade union work. Would he want the directors or officers of that union to vote it away for an entirely different purpose?

Mr. LADNER: Would the members of the union not decide that for themselves?

Mr. McMURRAY: That is where the difficulty arises.

Mr. FORKE: The matter contained in this bill may be viewed from two different angles. I can say frankly that when this measure was introduced in 1920, I think it was, political movement was pretty lively out on the prairies and the farmers were taking a stand to go into politics actively. There was some suspicion at that time that this law was aimed at movements of this character. Since then I have viewed the matter very carefully and we found a way of getting around it in a perfectly legal manner by becoming incorporated for political purposes. That may seem, on the face of it, to be a rather cumbersome way of carrying on political activities. Thinking the matter over, I have now come

to the conclusion that, perhaps, it is just as well to avoid the very appearance of evil, and if people wish to go into politics actively in a body, I do not think there is any great hardship in asking that they should become incorporated if they wish to collect funds for that purpose. I quite sympathize with the ideas of the promoter of this bill in that he may think it a hardship that they should be compelled to incorporate for this purpose. Nevertheless, I am inclined to believe that the law as it stands now may have a very good effect as a warning to corporations and bodies of individuals who may wish to contribute towards political funds for the purpose of corrupting the public. In fact, I would be inclined to allow the law as it stands in section 10 to remain as it is.

As regards section 11, I am not so sure. I cannot, however, see that a great deal of harm would occur in allowing outsiders to come in and take part in our elections. As has already been said, Canadians go over to Great Britain, take part in the elections over there and get elected as members of the Imperial parliament. It is, perhaps, an open question just how far that should be allowed. I have listened to remarks made by the Solicitor General as regards foreigners coming in here, acting in a corrupt manner and then leaving abruptly so that they cannot be punished for what they have done. That may be perfectly true, but at the same time I would allow liberty of action in a matter of this kind and I would be inclined to be in favour of section 11 being withdrawn.

Hon. GEORGE P. GRAHAM (Minister of Railways and Canals): Mr. Speaker, I have to admit that I have been in public life in Canada longer than the hon. member for East Calgary (Mr. Irvine), and I will give him the reasons why this section prohibiting outsiders from taking part in our elections was placed in the statute book in the first place. As a matter of fact, it was to prevent any party from bringing men, largely from across the border, to take part in our elections. Many years ago, when this act was first passed, each party was charging the other with importing men trained in election manipulation from various cities in the United States to assist them in doing in the campaign in Canada, work which the Canadian under the law would not dare to do himself. That was the basis of this law. My hon. friend will say, of course, that if a man was caught plugging, he could be arrested, but the difficulty was that he would do that kind of work, every person would know that he was in the country doing political work for some of the parties, but they could not discover until election day, perhaps, a direct violation of our law. Under the statute as it stands now, he could be arrested if he was found taking part in an election and you would not have to prove a direct violation of our election law in order to arrest him. If my hon. friend had passed through the experiences, particularly in the border counties, that many of us in Canada did years ago, he would not think of removing this restriction. There has been a great improvement in election methods since it became a part of our statutes. It never was intended to apply to a man like Ramsay MacDonald or any other man who, passing through the country, wished to make a speech, and a law is only justifiable in the way it is enforced. A law must be enforced with common sense or it will not remain law very long. I might warn my hon. friend that if he would persist in removing that section, we might have a return to the days when we were infested at election time with men brought across the border to do certain work that Canadians would not do themselves.

Mr. GOOD: In connection with the time at which the first section was adopted, my recollection is that it was adopted in 1920, and I was rather surprised to hear the Solicitor General state that it dates back to 1908. Perhaps he or the hon. member for South Wellington can give some authoritative information on that point.

Mr. McMURRAY: The present Dominion Elections Act was drafted in 1920. This particular section 10 comes, I think, from the Elections Act of 1908, with a slight amendment dealing with the opening words, "an unincorporated company or association," and the penalty was increased. Section 10 is substantially as it stood in the prior act. There is nothing new in the enactment in the statute of 1920. Section 11 is also the same.

Mr. GUTHRIE: If my recollection serves me, clause 10 dates further back than the Elections Act of 1907. It was passed in 1898 and has been carried now on the statutes for over a quarter of a century. The other clause was passed in the year 1907 or 1908. My own opinion is that in view of the suggestion of the Solicitor General (Mr. McMurray), the hon. member who has moved this bill (Mr. Irvine) would do well to drop the matter pending the bringing down later on of the bill which the government proposes to introduce during the session. I assume that there will be quite a number of amendments to be pro-

posed to the Dominion Elections Act. Some the Solicitor General says are of minor importance while others may be of greater significance. But there will be an opportunity then for the hon. member to move an amendment in the ordinary course as in the case of any other public bill. I think he would be well advised in the meantime to let this bill drop with the idea of reviving it, if he sees fit, when the general bill is under discussion. In the meantime we could give the matter further consideration.

Motion (Mr. Irvine) negatived.

MORRISBURG DAM

On the motion of Mr. Church:

For a copy of all papers, agreements, correspondence, telegrams and letters exchanged between the government of Canada, the governments of Ontario and the United States, and the Hydro-Electric Commission regarding the generation and distribution of power at what is commonly known as the proposed Morrisburg dam on the St. Lawrence river.

Mr. MACKENZIE KING: The wording of this motion contemplates something more than it is possible for the government to comply with. It calls for all correspondence and so on exchanged between the government of Canada, the governments of Ontario and the United States and the Hydro-Electric Commission. We clearly are not in a position to bring down papers exchanged between the government of Ontario and the Hydro-Electric Commission, or between the United States and the commission. In other words, we can bring down only such papers as have passed between the government of Canada and any of the bodies mentioned in the motion that is to say, any correspondence to which this government has been
11 p.m. a party. If the hon. member will amend his motion to carry that meaning it may pass. I suggest that he insert after the words "the government of Canada" the word "and," and substitute the word "or" for the word "and" before the words "the Hydro-Electric Commission." If the motion is amended in that way it may be adopted.

Motion as amended agreed to.

UNEMPLOYMENT CONFERENCES

On the motion of Mr. Church:

For a copy of all papers, agreements, correspondence, letters and other data exchanged between the government of Canada and the governments of the municipalities or provinces, relating to unemployment, including a return as to what action was taken at conferences between the aforesaid governments on this question, and showing the amount spent on unemployment by the government of Canada during the past four years for unemployment relief.

[Mr. Guthrie]

Mr. MACKENZIE KING: I do not like to be critical, but my hon. friend uses an expression which is hardly appropriate—"the governments of the municipalities or provinces". I would suggest that he drop the words "governments of the".

Motion as amended agreed to.

UNEMPLOYMENT RELIEF

On the motion of Mr. Church:

For returns showing—1. The amount spent by the government of Canada in relieving unemployment in Canada in Winnipeg, Hamilton, Toronto, Vancouver and Montreal during the past six years.

2. What sum respectively was spent by the (a) Dominion government, (b) the provincial government, (c) the municipalities aforesaid, relieving unemployment in these five cities the past six years.

3. Whether the government during these years had any agreement with the provinces and municipalities as to any form of relief; if so, what the arrangement was.

4. Whether any steps have been taken during this winter by the government alone or with the provinces or municipalities to take care of unemployment, and to regulate and prevent the dumping of those out of work in the larger centres of population.

Mr. MACKENZIE KING: My hon. friend has a genius for asking for material to which he is not entitled. Section 2 of this motion asks for information regarding moneys spent by the Dominion government, certain provincial governments and certain municipalities. This government has no information and is not in a position to supply any in regard to what was spent either by the provincial governments or by the municipalities; and the rest of the second paragraph is therefore only a repetition of the first. If the hon member will delete the second clause altogether the government will be prepared to comply with the remainder of the motion. I suggest, therefore, that the motion be amended accordingly.

Motion as amended agreed to.

On motion of Mr. Mackenzie King the House adjourned at 11 p.m.

Friday, February 20, 1925

The House met at three o'clock.

REPORTS AND PAPERS

Minutes of the Board of Internal Economy of the House of Commons for the year 1924, pursuant to rule 9.—Mr. Speaker.

Copy of a convention between his Britannic Majesty, in respect of the Dominion of Canada and the United States for the extradition of offenders against the laws for the suppression of traffic in narcotics, signed at Washington, the 8th day of January, 1925.—Right Hon. Mr. Mackenzie King.

Copy of regulations made under the authority of the Department of Soldiers' Civil Re-establishment Act, chapter 29, section 1, second session of 1919.—Hon. Mr. Beland.

NARCOTIC DRUGS CONVENTION

Right Hon. W. L. MACKENZIE KING (Prime Minister) moved:

That four hundred copies in the English language and two hundred copies in the French language of a convention between Canada and the United States for the extradition of offenders against the laws for the suppression of traffic in narcotic drugs, signed at Washington on the 8th day of January, 1925, be printed forthwith, and that rule 74 in relation thereto be suspended.

Motion agreed to.

SELECT STANDING COMMITTEES

RAILWAYS, CANALS AND TELEGRAPH LINES

Right Hon. W. L. MACKENZIE KING (Prime Minister) moved:

That the name of Mr. Bancroft be substituted for that of Mr. Bird on the select standing committee on Railways, Canals and Telegraph Lines.

Motion agreed to.

POST OFFICE ACT AMENDMENT

Mr. T. L. CHURCH (North Toronto) moved for leave to introduce Bill No. 7, to amend the Post Office Act.

He said: The object of this amendment is to provide for a uniform law, as in the United States, England and Australia, requiring sworn semi-annual statements from all newspapers, magazines, trade journals and other periodicals which contain articles designed to influence public opinion, giving the names and addresses of editors, owners and stockholders. There is a proviso that this act shall not apply to religious, fraternal, temperance, scientific, or such other publications. The names of small stockholders are not required to be given. A copy of these sworn statements shall be published in such newspapers or other publications after they have been filed as required by the act. Any such publication which fails to comply with these provisions shall be denied admission to the mails. Paid editorials and other reading matter for which money is paid shall be plainly marked "Advertisement", as they properly should be. Statements under the act are to be made in duplicate and delivered to the Postmaster General, who shall make regulations for the carrying out of the provisions of the act. This legislation is introduced solely in the public interest and in the best interests of a free press and of the liberty of the press in a liberty-loving country. If the press is to serve the public more adequately in the future this legislation is not only a social but an economic necessity.

Motion agreed to and bill read the first time.

CANADIAN NATIONAL RAILWAYS

APPOINTMENT OF SELECT STANDING COMMITTEE TO CONSIDER ESTIMATES

Hon. GEORGE P. GRAHAM (Minister of Railways) moved:

That rule 10 of the House of Commons relating to the appointment of the select standing committee of the House be amended by adding to the select standing committees of the House for the present session a select standing committee on Railways and Shipping, owned, operated and controlled by the government, to which will be referred the estimates of the Canadian National Railways and the Canadian Merchant Marine for the present session for consideration and for report to the House provided, however, that nothing in this resolution shall be construed to curtail in any way the full right of discussion in committee of Supply, and that the said committee consist of Messrs. Cannon, Drummond, Drayton, Euler, Graham, Harris, Jelliff, Jones, Kyte, Mackinnon, Milne, Rinfret, Robichaud, Stewart (Humboldt) and Stork.

Motion agreed to.

OCEAN SHIPPING RATES

AGREEMENT WITH SIR WILLIAM PETERSEN

Hon. GEORGE P. GRAHAM (for the Minister of Trade and Commerce) moved that on Tuesday next the House go into committee to consider a certain proposed resolution to approve of the agreement between the government and Sir William Petersen.

Hon. H. H. STEVENS (Vancouver Centre): I wish to ask the government if they will table the correspondence in connection with this matter prior to the consideration of it?

Mr. GRAHAM: Well—

Mr. STEVENS: If you will permit me to complete my remarks. There must be considerable correspondence, because in the report of Mr. Preston he states that he carried on his investigation largely by correspondence. That is, he submitted a sort of questionnaire—it was not a questionnaire but a letter of that nature to a large number of companies; but he does not give the replies in his report. There is that correspondence and such other correspondence as may be in the possession of the government.

Mr. GRAHAM: There is no objection to tabling any correspondence that is not confidential. We will have the matter looked into and give a reply at the next sitting of the House.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): Surely the minister will not suggest that correspondence between Mr.

Preston and the steamship companies should be confidential?

Mr. GRAHAM: I am not making any suggestion. Probably there is none, but there may be correspondence between some other companies, say, and Mr. Preston that the company would wish to be confidential. However, I do not know that that is the case.

Motion agreed to.

ALLEGED FRUIT COMBINE

On the Orders of the Day:

Mr. L. J. LADNER (Vancouver South): Yesterday I asked the question and the Minister of Labour (Mr. Murdock) being here to-day perhaps I can put it again: Has the government received, and will they file, a report by Lewis Duncan, a commissioner under the Combines Act who investigated charges affecting certain companies alleged to be in a fruit combine in western Canada?

Hon. JAMES MURDOCK (Minister of Labour): A report of the nature suggested by the hon. gentleman will be laid on the table of the House within a few days.

CHICAGO DRAINAGE CANAL

On the Orders of the Day:

Mr. T. L. CHURCH (North Toronto): I will make two statements of fact and on them ask a question regarding the diversion of water in connection with the Chicago drainage canal. In the first place, is the government aware that to-day at Washington Hon. Mr. Weeks, Secretary of War, is hearing an application to increase the 4,000 cubic feet allowance allowed by treaty to 8,500 cubic feet, and for a period of years? In the second place, several deputations, including private people and others are appearing before a committee of congress of a foreign power, and a foreign secretary, purporting to represent Canada in regard to a British treaty. They are taking this course over the heads of the Canadian government, and the British government, and the British Ambassador at Washington, instead of making representations through the usual channel of the Canadian and British government and the British Ambassador. I should like to ask how it is that the parties referred to are allowed to represent Canada.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I do not wish to interrupt my hon. friend but I submit that he is not putting a question, he is making a speech.

Mr. SPEAKER: I would remind the hon. gentleman that questions on the orders of the day must be very short and concise. The hon. member should put his question and not argue the matter.

Mr. CHURCH: I should like to ask the Prime Minister: Is the government of Canada represented at Washington to-day?

Mr. MACKENZIE KING: The answer is, yes.

Mr. CHURCH: I should like to ask if the course which I have indicated is the proper one to pursue? Why are representations not made to the British Ambassador instead of through a committee of congress?

Mr. MEIGHEN: In regard to the question of the hon. member for North Toronto (Mr. Church) I understood the Prime Minister to say we were represented at Washington in the matter. Will the Prime Minister say who the representative is and before what body he is acting?

Mr. MACKENZIE KING: The representative is Mr. Stewart, of the Department of Marine and Fisheries.

Mr. MEIGHEN: Before whom?

Mr. MACKENZIE KING: He is appearing at the hearing. He is not taking any part at the present time other than observing the proceedings, and keeping the government informed.

Mr. MEIGHEN: May I ask, is the government doing anything?

Mr. MACKENZIE KING: Yes, the government has kept very careful watch of the entire proceedings, and has repeatedly placed itself before the United States government, through the British Ambassador, the Canadian viewpoint in the matter.

EVACUATION OF COLOGNE AREA

On the Orders of the Day:

Mr. J. S. WOODSWORTH (Centre Winnipeg): I should like to ask, has the government protested against the refusal of the Allied governments to evacuate the Cologne area, and does the government approve of the act of the Allied governments?

Mr. MACKENZIE KING: I am not aware of any protest having been made.

Mr. WOODSWORTH: I did not get a reply to the second part of my question: Does the government approve of the action of the Allied governments in regard to the delay in the evacuation of the Cologne area?

Mr. MACKENZIE KING: I may say to my hon. friend that the government has not

really considered the matter to which he refers.

GRAIN INQUIRY COMMISSION

On the Orders of the Day:

Mr. O. R. GOULD (Assiniboia): I should like to repeat my question of yesterday. Perhaps the Acting Minister of Finance (Mr. Robb) can give a definite assurance to-day that the evidence presented to the Royal Grain Inquiry Commission will be laid upon the table.

Hon. Mr. ROBB: I shall direct the question of the hon. member to the attention of the Minister of Trade and Commerce as soon as he returns; he is not in his seat to-day.

KAMLOOPS-KELOWNA BRANCH

On the Orders of the Day:

Mr. GROTE STIRLING (Yale): I should like to ask the Minister of Railways whether the negotiations carried on between the Canadian National Railways and the Canadian Pacific regarding the Kamloops-Kelowna branch have been completed, and if so with what result?

Hon. GEORGE P. GRAHAM (Minister of Railways and Canals): I am not prepared to say with what result, but there have been certain conferences, and I will give a definite answer in a day or two when I get the information from the management of the Canadian National Railways.

SUPPLY

DEPARTMENT OF AGRICULTURE

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

Agriculture—Fruit, including grant of $8,000 to the Canadian Horticultural Council, $200,000.

Mr. SPENCE: I do not want to hold up the estimates unnecessarily, but here is a large item without any definite statement or detail as to what the money is to be used for. I also object to the increase of $18,000. I do not see why there should be any increase in this estimate. There is also an item of $8,000 for the Canadian Horticultural Council. What are the functions of that council? What good do they do to the fruit industry or to the country?

Hon. W. R. MOTHERWELL (Minister of Agriculture): The first question is with regard to the increase. I may say that last year in a small way we took over a new service, which consisted of grading apples in the Okanagan valley, and issuing a certificate therefor. That was done on the request of the apple growers of British Columia, they offering to pay for the service. This service was only inaugurated with the Okanagan people to give us sufficient information, in order to show that a fee of $5 for inspecting a car and issuing the certificate would cover the cost of service. This $18,000 additional is for the purpose of extending the service to all the apple growers of Canada, in return for which we will charge a fee of $5, and the money will be recouped to the treasury. It was found that the old method of grading by the barrel was not as satisfactory nor as good for the industry as the government certificate would be.

With respect to the second question I may say the Horticultural Council was organized in Canada in 1922 and I think I could not do better than just read the report of the council to the House. The report says:

> To advance all matters tending towards the improvement of the horticultural and allied industries in Canada, including plant origination and registration, production, grading, packing, transportation, storage and marketing;
>
> (a) By bringing about a closer co-operation between those engaged in the horticultural and allied industries in Canada and a fuller understanding of their problems;
>
> (b) By initiating, fostering and assisting in obtaining such legislation and regulations as will be beneficial to the horticultural and allied industries;

Then as to the vegetable industry the report says:

> (c) By emphasizing through inter-provincial co-operation the importance of the horticultural and allied industries and to obtain for them the position they deserve as an important and progressive branch of agriculture;

And it goes on with a number of subdivisions; I do not think I need read the whole of them. The amount of grant each year was: In 1922 $5,000; 1923, $8,000; and so on. The reason the addition was made to the grant was the new work they took up in connection with the registration of new plants and new shrubs. That has been established for the first time in Canada, and I think for the first time on this continent: that is, issuing registration certificates for new breeds of plants and fruits, so that the originator of a new apple like the McIntosh or any other new variety of fruit could get a registration or pedigree, just as they obtain a pedigree for an animal. The report continues:

> What the council has (a) undertaking is:
>
> 1. To bring about a closer co-operation between those engaged in the horticultural and allied industries in Canada and a greater understanding of their problems;
> 2. The establishment of a plant registration bureau.
> 3. The establishment of trial gardens.
> 4. The establishment of demonstration gardens.
> 5. The encouragement of horticultural research and production by means of medals, awards and diplomas.

There are a large number of others. This vote was included in the miscellaneous vote in former years, but this year it is attached to this particular branch.

Mr. CALDWELL: Do we understand that the fees for grading apples will make this industry carry its own expense of grading?

Mr. MOTHERWELL: No, just the new grading. We have never officially graded apples or potatoes for shipment. It has always been done by the owner, and while that practice, which was introduced with the introduction of the Fruit Marks Act something like twenty years ago, has given great service, it is not altogether satisfactory. Consequently a species of government inspection on the car at the point of shipment was provided, to supervise the grading done by the owners, by opening the barrels and packages, to ascertain if they were graded correctly. If they are graded properly we issue a certificate to that effect. The issuing of that certificate by an impartial inspector gives additional value to the grades. The fee for that inspection is $5 a car.

Mr. CALDWELL: Then this $18,000 is to make the initial payment for this service?

Mr. MOTHERWELL: Yes.

Mr. CALDWELL: And this will be returned in fees?

Mr. MOTHERWELL: Yes, it will be returned in the revenues of the country.

Mr. CALDWELL: We understand this is only an advance to carry on the work and it will be returned in grading fees?

Mr. MOTHERWELL: Yes. I may inform the committee that it cost us last year $11,000 to give the service in the Okanagan valley and the fee of $5 a car would amount to about $12,680. It was done in a place where it could be done more cheaply before, and it will cost more now.

Mr. CALDWELL: If the results are the same next year your revenue will be double the outlay, and you will be able to reduce the cost per car.

Mr. MOTHERWELL: Well, it may work out that way. With reference to charging the fee, it is a question whether we should not do the same thing for a large number of inspectional services. With reference to the inspection of wheat by the grain inspectors at Winnipeg, it has always been the custom to charge in the old days 60 cents a car for small cars and 90 cents a car at the present time. We have not, except on some occasions like this carried on the practice of charging for inspection or grading fees with regard to other farm products. We have the grading now of cheese and butter, and we have been discussing the wisdom of putting on a charge for grading butter and cheese, so much per box, two or three or four cents, and have this cover the cost of the service. We have discussed the wisdom of doing the same thing with regard to the grading of hogs. If the committee thinks that the time has arrived when these services are so well recognized, so valued and appreciated that we could very well charge a fee in the same way as we do for the inspection of wheat, I should be glad to hear what hon. members have to say regarding the matter.

Mr. CALDWELL: As regards the inspection of fruits and vegetables, is it proposed to have an inspector supervise the grading?

Mr. MOTHERWELL: No. The grading will be done exactly as before. A number of the receptacles will be opened in order that the inspector may find out whether the contents are up to grade and in good condition or not.

Mr. ROBINSON: Will this make a complete change in the method of inspecting apples?

Mr. MOTHERWELL: No.

Mr. ROBINSON: To what extent will there be a change?

Mr. MOTHERWELL: It will be supplemental to the present grading. The grading will be exactly the same. Whether it is a carload at the port or point of shipment, we send a man in to inspect the fruit and find out its condition and whether it is graded properly. It will be an additional precaution.

Mr. LOVETT: Will this be done by the same inspector?

Mr. MOTHERWELL: Yes.

Mr. ROBINSON: The inspector will issue a certificate?

Mr. MOTHERWELL: Yes, a government certificate.

Mr. MORRISON: Is government inspection of these products to be made compulsory for goods consumed in Canada as well as goods for export?

Mr. MOTHERWELL: This is entirely optional. A request was made by the apple growers of British Columbia. They felt that they could well afford to pay five dollars a car to get a government inspector's certificate,

so they made the proposal and offered to pay that amount of money. We thought we would try out this inspection in a small way last year. The proposal is to extend the service to any part of Canada where the people of that locality wish it to be applied. It will not be compulsory. Any part of Canada that wishes to get the old system of grading will be at liberty to do so.

Mr. CALDWELL: Did this request come from the shippers or the growers?

Mr. MOTHERWELL: From both.

Mr. CALDWELL: Does the inspection apply to potatoes as well as fruit?

Mr. MOTHERWELL: Yes, I understand the same request has been made with regard to the shipment of potatoes.

Mr. CALDWELL: From the growers?

Mr. MOTHERWELL: Yes.

Mr. CALDWELL: What potato growers?

Mr. MOTHERWELL: In British Columbia.

Mr. CALDWELL: How many additional inspectors does the minister expect this will mean?

Mr. MOTHERWELL: That will depend upon how many people take advantage of the service. It will probably mean from ten to fifteen inspectors. We had eleven last year. If the Niagara peninsula and the Annapolis valley both request a similar service, probably fifteen additional inspectors will be required.

Mr. CALDWELL: That will be for the fruit. Supposing this service is extended to vegetables, for instance potatoes?

Mr. MOTHERWELL: That will take still more. The Ashcroft potato growers and others in British Columbia made the same request and we acceded to it on the same terms.

Mr. CALDWELL: The minister has men who look after seed, feed and fertilizer control, and a great deal of that work comes at a different season of the year from the grading of fruit and vegetables. Would it not be possible to use the same staff on the two different branches of work instead of adding to the departmental staff for this purpose? It has been suggested to me that especially the seed inspection is a seasonal occupation that may occupy only a short part of the winter season, and owing to the fact that there is no continuous occupation for these men, the same men do not come back next year and a new crop of men is taken on. My opinion is that if the same men could be employed in the other branches of inspection work the minister would be able to retain those men through the season, have the advantage of any experience they had in past years and ensure much better results than would be possible with a new force of men taken on each year.

Mr. MOTHERWELL: That request on the face of it is reasonable enough. As regards the Seed branch, that will come before the committee in a little while. A sufficient number of new activities have been taken on by the Seed branch during recent years to occupy the whole of their time. The Feeding Stuffs Act has necessitated more time and men; but even since then, the act with respect to the grading of hay was taken over recently from the Department of Trade and Commerce and the act with respect to the inspection of hides and fertilizers has been taken over as well. All these additional services have been taken on by the Seed branch and they keep the time of the staff entirely occupied. The work of the great majority of the fruit inspectors, except possibly the port inspectors, is of a seasonal nature, four or five months.

Mr. SPENCE: Does the shipper or the buyer pay the charge of five dollars for the inspection of a carload of apples or other fruit?

Mr. MOTHERWELL: Whoever asks for the service pays for it.

Mr. SPENCE: The minister says that the inspector issues a certificate. Provided that the inspector issues a certificate that the fruit is in first class condition and deterioration sets in from any cause after a few weeks have elapsed in transportation, will the buyer be forced to accept the car on that certificate? I presume that is the intention.

Mr. MOTHERWELL: We are giving the same service, no matter who asks for it. If there is any objection on the part of the buyer to the grading after the certificate is issued, we will give a re-inspection.

Mr. SPENCE: Where?

Mr. MOTHERWELL: At the point of delivery.

Mr. SPENCE: Then it is optional whether a car is inspected or not.

Mr. MOTHERWELL: Yes.

Mr. SPENCE: I think the minister should go further and inspect every carload before it leaves the shipping point.

Mr. ROBINSON: Was the total number of inspectors in Nova Scotia reduced last season, and if so by how many, and why?

Mr. MOTHERWELL: We thought that by making them work a little harder, cover a little bit more ground, maybe go on duty a week or two earlier and maybe stay on a week longer, a smaller number of the best men would be able to cover the work. As these activities increase in volume and number, the number of our staff is necessarily increased, and in our desire to keep that down to the minimum consistent with service, we cut some of them out. The taking on of this additional service will, of course, necessitate additional inspectors, but this expense will be paid out of the revenue that we derive from the charge of five dollars a car.

Mr. BOYS: If a car of apples is ordered and inspected and a certificate is given, has that certificate any binding effect so far as the purchaser is concerned in the event of the consignment proving on delivery to be not in accordance with the specification?

Mr. MOTHERWELL: The system is merely a means of facilitating business between buyer and seller. The same question came up the other day in connection with the grading of dairy products and it has also arisen in the case of the grading of grain. I do not know of any system of inspection under which the government holds itself responsible for the consequences of its grading certificates.

Mr. BOYS: The minister misunderstands me; I do not suggest that the government would be responsible. If the certificate had a binding effect as between the two parties to the contract I could appreciate the fact that it would be far-reaching and useful. But so far as I know, it has no legal effect; it does not preclude the purchaser from rejecting the stock, whatever it may be. If, however, there is such a provision I should like to know where to find it.

Mr. MOTHERWELL: Invariably, where there is a system of grading provided by law, the certificate is accepted by buyer and seller, but I am not sufficiently versed in the law to know whether such a certificate would hold in court. That, however, is the practice. If, for instance, a car of potatoes is graded at point of shipment in the Maritime provinces, the purchaser being in Montreal, let us say, the consignment might be refused on the ground that the grading was too high. An inspector of the department would then be called in and would re-inspect the shipment, and the decision is usually accepted by the buyer in such transactions. I do not know, however, what force the certificate would have in law, although in my experience the arrangement has always been satisfactory to both buyer and seller. Indeed, both parties have always seemed to be so satisfied that new services of this kind are constantly being asked for. That is the reason for the present service. Last year, I might mention in illustration, several carloads of turkeys arrived from western Canada for Toronto and Montreal, the draft being attached to the bill of lading in the usual way. The buyers refused to take delivery on the ground that the shipment was not properly graded; the poultry, it appeared, was not dressed. There was no system of grading for dressed poultry; it was merely a matter of sending representatives to the siding to superintend the transportation of the consignment. It was cold weather, the birds got frozen, and their value was reduced. Finally by negotiation and adjustment an agreement was arrived at, but owing to the fact that there was no federal grading system some difficulty was experienced. The public are always running up against such difficulties and that is why they are asking for grading in order to facilitate business and reduce friction to the minimum.

Mr. BOYS: If the certificate were made binding by statute it would prevent a great deal of litigation which now goes on. If inspection were asked for by vendor and purchaser at point of shipment, the goods being sold f.o.b., and if the certificate being once given were in law binding on the parties, it would be of great service to the people. Without some such provision, however, it seems to me that very little good results; at the very most I suppose you provide a witness who may be called at the trial of the dispute and who, of course, by virtue of his office, would be an independent witness whose word would have weight with the judge. Beyond that I do not see what good results will accrue from the system without the element of binding force.

Mr. MOTHERWELL: In my opinion, if the purchaser of a carload of vegetables or of apples refused to accept the inspector's certificate, he would find that the case would go against him if he attempted to defend his action in a court of law.

Mr. BOYS: Supposing that in the transportation of a carload of potatoes the consignment got frozen: surely you do not suggest that the purchaser would be bound to accept that consignment, notwithstanding that a certificate might have been given?

Mr. MOTHERWELL: I do not suggest that. If the consignment was found to be unsatisfactory at point of delivery that information would be forwarded to the proper department and a re-inspection would ensue; and if the potatoes were frozen a report would be made accordingly and non-acceptance would be justified.

Mr. BOYS: That, then, involves the question as to whether the contract is inspection on delivery, or f.o.b. The whole feature lies in that.

Mr. MOTHERWELL: Re-inspection will be available to anyone who demands it, and our experience is that the system has always worked satisfactorily.

Mr. CALDWELL: Then your first certificate would not be of any effect. The question has been asked as to who pays for the inspection. Well, I think that is easily answered. The producer will pay for it eventually, because if there are two or three charges for inspection added to a cargo of goods, from the time it leaves the producer to the time it reaches the consumer, it is clear that a man will purchase cheaply enough to meet those charges. As a matter of fact, the purchaser does so, and that is right. My fear is that if you have two inspections on every carload, each of the parties will have to pay a five-dollar fee for the inspection and this will cut down the proceeds to the producer, which are already below cost of production, at any rate in the case of potatoes.

Mr. SPENCE: What about the consumer?

Mr. CALDWELL: The price to the consumer is controlled by competition from other sources. If our potatoes are made to cost, through inspection, more than we can buy potatoes for from the United States, the minister can see what a disadvantage the local producer would be under. And I presume that the imports from the United States would not be subject to the inspection. On that point it would be interesting to have some information.

Mr. MOTHERWELL: Whoever asks for inspection gets it.

Mr. CALDWELL: Would potatoes coming from the United States be subject to inspection?

Mr. MOTHERWELL: Those coming in would be subject to grading, but in the case of our own product the system is purely optional; only those who ask for the service receive it.

Mr. LOVETT: I am aware that the number of inspectors in the Maritime provinces has been reduced during the past year. Was the same proportion of reduction made in Ontario and British Columbia last year as in the Maritime provinces?

Mr. MOTHERWELL: Yes. We endeavour to divide the inspectors among the constituencies in the provinces on the basis of the number of barrels of apples exported. I can assure the hon. member that it is no easy matter to get down to mathematical exactitude, having regard to all the interests concerned. But the reduction was made uniformly.

Mr. MARTELL: For what reason was the inspectorial staff reduced and on whose advice was this reduction made? The province of Nova Scotia is a very important apple-growing centre, and this is becoming one of its great industries. The minister is proposing a system of certification and he wants to charge the producer of apples $5 on every car sent out. This will raise a riot among the fruit growers of the country. The inspection either is good or is no good, and it may be made at point of delivery or at the point where the apples are put on the train for transhipment. Nobody knows what is going to happen to these apples in transit; but if a man comes along with a government certificate that the apples were all right when shipped, then the vendee, who probably is defending an action on account of the goods not being in accordance with the guarantee, is non-suited. The sooner the minister gets away from endeavouring to put too many restrictions upon the fruit growers of this country, and the sooner he sees that adequate protection is given to our fruit growers the better it will be for all concerned.

Mr. MEIGHEN: Hear, hear.

Mr. MARTELL: I do not mean "adequate protection" in the sense understood by my right hon. friend; I mean adequate protection to the man who puts up an honest pack. That is all I am asking. The minister brings down legislation regarding which, I venture, to say he has consulted nobody but his officials at Ottawa. He has not gone through the province of Nova Scotia, for instance, and ascertained the views of the fruit growing people there. With a lot of high paid officials here he endeavours to force through the House legislation which is detrimental to the fruit growing industry of Nova Scotia. The first thing he should do is to decrease the number of his high paid officials in Ottawa instead of cutting down the number of inspectors in Nova Scotia. Every one of those

inspectors is a good man, I do not care who appointed him; each tries to do his duty. Last year he cut off an inspector in my constituency.

An hon. MEMBER: That is the trouble.

Mr. MARTELL: No, it is not my trouble. He can cut out the whole bunch so far as I am concerned. All I want to see is our people properly protected. The department cut off two inspectors in my hon. friend's (Mr. Robinson's) constituency in the county of Kings, where more apples are raised than in all the rest of Nova Scotia. Two more inspectors were cut off in Digby and Annapolis. The minister is not going to get a thorough inspection by discharging such good men. So long as there are apples to be shipped let the department keep a sufficient staff on hand so that the packers will not have to wait for inspection. To-day shipments are held up for lack of inspection. The minister says now that he is going to penalize the packer. Well, the average packer has faith in his pack, and he knows very well that any failure on his part to keep his pack up to standard means that in the final analysis he will simply penalize himself. But the minister wants to have a big staff of pack inspectors to issue certificates to the packers, with the result that the vendee has no rights whatever in a court of law. Everybody knows the minister is talking against reason.

Some hon. MEMBERS: Order.

Mr. MARTELL: I say that without hesitation. Every lawyer knows what he is up against in such cases.

Some hon. MEMBERS: Oh, oh.

Mr. MARTELL: It is all very well for my hon. friends over yonder to laugh; they never saw an apple grown; and I venture to say that the hon. minister never saw an apple grown where he came from. Why does he not take the same
4 p.m. course as his colleagues would take in similar circumstances, consult the men who are to be affected by his proposals? If he does not want to take his friends on this side of the House into his confidence, men who come from the apple-growing districts of Nova Scotia, let him get in touch with the apple growers themselves, instead of attempting to put legislation upon the statute book which is going to retard the apple growing industry of Nova Scotia. Let the minister come down to Nova Scotia, and we will show him that we can raise apples. We want proper inspection, we are not ashamed of the quality of our apples; but on account of a few men who do not agree on what constitutes proper packing, do not let the minister take the advice of his officials in Ottawa, who do not know anything about apples, and then turn around and try to put restrictions upon the apple growing industry of Nova Scotia.

Mr. SUTHERLAND: The hon. member for Hants (Mr. Martell) has touched a very important matter in connection with this item. I observe there is an increase of $18,000 over the estimate for last year, and an increase of $55,000 over that for 1921-2. What proportion of this vote is for the payment of officials and their expenses?

Mr. MOTHERWELL: Mr. Chairman, I suppose we have to give this information to every newcomer, and I will try to furnish it again as briefly as possible. This service is entirely optional; no part of Canada, whether it be the Annapolis valley, the Niagara peninsula or any other fruit growing district need accept it. The service was asked for in the Okanagan valley, we gave it last year, and we have found it self-supporting. Now the proposal is to extend the service to any other part of the Dominion that asks for it. If the fruit growers of the Annapolis valley do not ask for it the service will not be forced upon them; but if they do ask for it we have to assume that they want it.

Mr. MARTELL: Who are the parties to ask for the service—two or three agitators?

Mr. MOTHERWELL: The packer, the buyer or whoever else chooses to ask.

Mr. MARTELL: Would the minister put all the expense of administration on any locality at the request of one or two packers?

Mr. MOTHERWELL: My hon. friend has been upbraiding the officials at Ottawa for not knowing anything about apples; well, we do not pretend to be lawyers, but we do know that this service has worked out satisfactorily in the Okanagan valley, and we know that the people there want it continued. Obviously it would be unfair to give that service to one part of Canada only. Anticipating that other parts of the country will want the service, in spite of what my hon. friend says, we have asked for this increase. If the money is not wanted it will not be expended. If the service is required by other orchardists throughout the Dominion we think it should be given them. Instead of being upbraided for introducing this new principle, I think we should be congratulated on the fact that the service is self-sustaining. I have come to the conclusion that a great

many other services that are now given free might very well be charged for just the same as this is. For instance, the grading of wheat is all paid for, and practically the entire cost of administration of the grain commissioners' offices at Winnipeg and Fort William is paid for out of the inspection fees.

Mr. SALES: There is a substantial profit besides.

Mr. MOTHERWELL: That principle is recognized there. The reason we have not adopted it in the smaller services is because we thought it not advisable to do so until, through education, those services had become popular. The grading system is being popularized, and I do not think any hardship would follow if we charged a reasonable fee. We have adopted the principle in this case because a request came from the apple growers for the service, and we were in a position to say, "All right, we will give you the service if you pay for it."

Mr. MARTELL: Why give some people subsidies and take them away from others?

Mr. MOTHERWELL: We are not taking away anything at all, with the exception of the inspectors my hon. friend spoke about in Hants, Digby and Annapolis and Kings. You cannot split a man in two and give two districts a man and a half each; we had to have an even number of men. We had to reduce the staff by one man and we did it as nearly as possible on a pro rata basis according to the export business done.

Mr. MEIGHEN: The minister complained about having had to answer questions so often every time a member came in, but he has not yet answered the question asked by the hon. member (Mr. Sutherland). What the hon. member asked was this: How much of this entire fruit vote goes for the payment of officials?

Mr. MOTHERWELL: While my deputy is looking that up, I may say that that was not a complaint; I was rather apologizing to those of the committee who had been here from the beginning and who had to sit in torture listening to the same explanation two or three times over. I do not object to giving the explanation, but it is not very entertaining to hear the same answer repeated several times.

Mr. MEIGHEN: The minister has not given it even yet.

Mr. MOTHERWELL: I am giving it in regard to the voluntary nature of this service.

Mr. MEIGHEN: That is not what was asked.

Mr. MOTHERWELL: That is what the hon. member (Mr. Martell) spoke about. I overlooked the last part of the question of the hon. member for South Oxford. I am informed that a large proportion of this vote, the work being educational and inspectional in nature, goes to salaries and travelling expenses. That is inevitable.

Mr. SUTHERLAND: I must protest against the practice which has been adopted by the minister of lecturing hon. members when they ask for information in order that they may get an intelligent idea of what money is being voted for. On Tuesday night we had the same experience: questions were asked time and again and the minister endeavoured to make the committee believe they had been answered. On Tuesday night, after putting a question to the minister several times, I was informed by the Minister of Railways (Mr. Graham) that he had heard the Minister of Agriculture answer the question three times while he had been in the House seven minutes. Now, if the Minister of Railways will look up Hansard he will find that the question was not even answered once; and the same thing is being done here again to-day. Instead of bringing a statement before the committee which would indicate what the money is being used for the minister asks us to vote a lump sum to be used in any way he sees fit. Why not bring down a statement which would indicate to what various branches this money is to be devoted? The minister undertook to lecture us the other night and he is going to lecture us again; he is going to "torture" the committee, as he terms it, with long lectures that have no bearing upon the matter at issue. It would facilitate the work of the committee and shorten the discussion if a businesslike method was adopted; if a detailed statement was brought down showing what the money is to be used for. We are now informed that the bulk of this vote is to be used for certain purposes. The amount used for this purpose for the year ending March 31, 1924, was $147,477, so that a considerable portion of it was used for other purposes. With regard to the officials to whom the member for Hants (Mr. Martell) has been referring, I have had some experience of the minister's attitude with regard to inspectors in the county that I represent. Two inspectors received notice from the department that their resignations were required. Both were efficient inspectors. One of them complied with the request, and as a result he received a bonus and retiring

allowance. The other said: "No, I am not going to send in a resignation. I think I have rendered good service, and if you want to dismiss me, you may." Well, he was dismissed, and he did not get any bonus. Is this the practice that the minister adopts in regard to the whole system, involving the payment of nearly $200,000 to an army of officials? We know his skill in evading the regulations of the Civil Service Commission with regard to the appointment of officials, but I did not think it was possible that two men working in the same locality, with practically the same qualifications and the same experience, could be accorded such discriminatory treatment. The minister will have to give something a little better than a lecture to the committee; he will have to give us some information if he wants to get his estimates through as easily as he imagines he will.

Mr. MOTHERWELL: The first question that was raised when the committee opened proceedings was put by one of the members from Toronto and related to the increase over the estimate of last year. We started to discuss that and to show cause for the increase. We discussed the merits of it, the value of it, the effect of it. I must say to my hon. friend (Mr. Sutherland) that I did not hear his request for the amount that was to be paid out in salaries. My deputy informs me that he heard it, and I assume that the hon. member asked it, but I did not catch it. I thought we were on the question of this principle of charging for service, and that is what we were discussing in a general way. Now I have in my hand the exact information the hon. gentleman wants.

Mr. STEVENS: Let us have it.

Mr. MOTHERWELL: That, I supposed, was the next step in connection with the information that would be handed out.

Some hon. MEMBERS: Oh, oh.

Mr. MOTHERWELL: What are my hon. friends laughing at? I cannot see where the fun is.

Mr. MARTELL: Will the minister explain to me—

Mr. MOTHERWELL: The hon. member for South Oxford is now going on to a new phase of the question. There was no object in my withholding the information, and I have it here. I confess I am at a little disadvantage, but I usually hear what my hon. friend asks. The difficulty is that he not only asks questions but he makes pretty long speeches, and it is not easy for me to catch all his questions or even to remember them if I did catch them. Now, here is the information.

Mr. MARTELL: Will the minister explain—

Some hon. MEMBERS: Order.

Mr. MARTELL: Pardon me; I am asking the minister a question.

Mr. MOTHERWELL: It will be understood, then, that we are still on the other phase of it.

Mr. MARTELL: I am not going to be put off that way, because I represent the fruit growers in the county of Hants, the finest citizens of this country. I want to know from the minister why a person who grows fruit should pay for an inspection that he really wants, when the government is giving large subsidies to other people for services that the people do not want.

Mr. MOTHERWELL: Well, they have volunteered in this case, and why should the government refuse a voluntary fee of five dollars for a service rendered when we need the money so badly?

Mr. MARTELL: Use it to encourage the fruit growers.

Mr. MOTHERWELL: I think the principle of taking a fee for a service rendered is a sound one. It is not a new principle, and it is something which I think we might carry out in a larger way.

Mr. LADNER: Mr. Chairman—

Mr. SUTHERLAND: Mr. Chairman—

Mr. MOTHERWELL: When we have finished with this phase of it I shall be delighted to give the information—but one at a time is good fishing.

Mr. SUTHERLAND: I am merely pointing out certain matters in order to enable the minister to reply with absolute clearness, because I am afraid he will wander away from the question—

Mr. MOTHERWELL: No.

Mr. SUTHERLAND: —and I want to lay suitable emphasis on the point. It has been pointed out that there was an increase of $18,000 in the estimates for the coming year over those for the year previous, and that there was an increase of $55,000 in this item over the years 1921 and 1922; and I ask what portion of the item we are now asked to vote is for the payment of the officials and their expenses?

Mr. MOTHERWELL: I will tell my hon. friend. I was replying to the hon. member for Hants (Mr. Martell) first of all before taking up the questions of the hon. member for South Oxford. Let me now give the details asked for:

Fruit Branch

		Estimates 1925-26	Estimates 1924-25
1. Inspection Service:			
Salaries 5 district inspectors		11,730	11,520
Salaries 17 permanent inspectors		31,440	30,210
Salary 1 additional permanent inspector (fruit and vegetable) promoted from seasonal, additional five months		625	1,500
Salaries 46 seasonal inspectors (average 1 mos. plus statutory increase)		42,000	42,015
Salaries 5 temporary inspectors (average 6 mos. at $125 each per month as compared with salaries 5 temporary inspectors average 3 mos. at $125 each per month 1924-25)		3,750	1,875
To provide for suggested reclassification district inspectors		480	840
Travelling expenses 74 inspectors		44,300	41,800
5 district inspectors	$ 8,750		
17 permanent inspectors	8,500		
46 seasonal inspectors	23,000		
5 temporary inspectors	3,750		
1 additional permanent inspector	300		
	$44,300		
Salaries for stenographers, Middleton ($320), Montreal ($600), Toronto ($600), Winnipeg ($600) and Vancouver ($750)		2,870	2,750
Rents			
For rent of Halifax office		300	300
For rent of office Winnipeg $480, Hamilton $600		1,080	1,240
For rent of office Middleton $180, St. John $180, Toronto $480		840	700
Fruit Transportation—			
Salaries 3 seasonal assistants in transportation (average 7 mos. each at $150 per month)		3,150	3,150
Travelling expenses 3 seasonal assistants in transportation (N.S., Ont., B.C.)		3,000	3,000
Technical Instruments, for use particularly in connection with car testing		500	.....
Fruit Packing & Orchard Specialist—			
Salary		2,400	2,400
Salary assistant fruit packing & orchard specialist for 6 mos.		900	.....
Travelling expenses fruit packing & orchard specialist		1,300	1,300
Travelling expenses assistant fruit packing & orchard specialist		500	.....
Office Expenses, Crop & Market Reports		16,000	15,000
Office supplies, stationery express etc.)	$ 4,000		
Publications	4,500		
Crop & Market reports	7,500		
	$16,000		

The item for fruit transportation supervision and assistance deals with the inspection at the ports. At the port of Halifax, for instance, there is an inspector who opens an occasional barrel to see that everything is all right and in order, and that the fruit has been properly graded. As to the item of "Fruit growing and orchard specialist," that is educational work, I presume, in connection with the grading of fruit. It is carrying out the provisions of the law in respect to grading. Ever since the law was passed twenty years ago the grading has been done by the owners of the orchard, or whoever was packing the fruit, and educational work needs to be done from time to time to see that the fruit is properly packed. Indeed, a great deal of harm has been done to the fruit industry as a result of work of this kind being improperly done.

Mr. SUTHERLAND: The minister has given considerable information that I did not ask for. I observe that for the year ending March, 1924, the amount paid out for officials and their expenses was $147,477. Now, the minister states that there is $139,415 for that purpose in this vote.

Mr. MOTHERWELL: These items are for different kinds of services but they have been classified under various sub-heads such as transportation, fruit packing, and so on.

Mr. MARTELL: The minister in the course of his remarks referred to an inspector at Halifax. I should like to ask him who the cargo inspector at Halifax is and what his qualifications are. I should also like to ask the minister what steps he has taken to provide proper wharves, warehouses, and so on at Halifax for the purpose of enabling the fruit growers of the western portion of Nova Scotia to ship their fruit under satisfactory conditions. I have been told that the matter has been taken up with the department and that there is a dispute between the Dominion Atlantic and the Canadian National railways as to who should supply these facilities. Now, many of the people from western Nova Scotia ship their fruit to Halifax. They are not exactly aware as to what time the boat which is to take this fruit overseas will arrive. The result is that much of the fruit that is sent down becomes frosted. There is also a danger that some of this fruit when it is put on board the vessel is cooked, owing to improper ventilation, and arrives in England in bad state. I submit that the Minister of Agriculture, who is supposed to look after the horticultural interests, as well as the agricultural interests in the Dominion, should see

to it that proper care is given and that the right kind of facilities are provided in the city of Halifax for Nova Scotians who grow fruit and wish to ship it abroad. It is all very well to say that it is a question of a dispute between the Canadian National Railways and the Dominion-Atlantic Railway—and I may say the latter brings in the most fruit—as to who should provide the necessary wharf or pier; these facilities should be provided by the Dominion of Canada, and if there is a dispute between the Dominion-Atlantic Railway and the Canadian National Railways, I recommend the Minister of Agriculture to go to that very excellent administrator the Minister of Public Works and get him to supply the wharf, because the latter never starts arguing with you; he tells you "yes" or "no", and does not endeavour to put you off by a long argument.

Now, as I say, in the city of Halifax there is an inspector. Who is that inspector? If the minister does not know where he can get a good inspector I will tell him where he can get one.

Some hon. MEMBERS: Oh, oh.

Mr. MARTELL: Some hon. members may laugh but this man has proven his worth for the last three years. He is Mr. D. M. Wilson, of Windsor Forks in the county of Hants. He was down for one year as an inspector, and as a result of his work the fruit growers in western Nova Scotia were greatly benefited. This man is not one who fills an office for the salary that he receives; he is a man who is endeavouring in every way to find means and methods whereby fruit can be more efficiently packed, and the fruit growers can be protected. You have an old man in the city of Halifax at the present time as cargo inspector, and if the minister will have his officials inquire into the matter he will find ninety per cent of the time during the cold days of the winter this inspector was not on his job. If the minister had a man like Mr. Wilson down there, the fruit growers of western Nova Scotia would be amply protected. Wilson is a poor man as far as material interests go, but he is one who is constantly looking after the rights of the fruit growers of the province.

I want to impress upon the minister this fact: I happen to be one who is not particularly in his good books, but nevertheless I can protect myself and I can protect my constituents. Furthermore I am going to advocate the interests of my constituents as long as I have the honour of having a seat in this House. The minister went to the city of Halifax after he made a tour of western Nova Scotia and he was very much impressed with the proposition that proper piers, warehouses, and so on should be provided for the shipment from that city, which fruit, I may say, is largely grown in the western part of the province. It is all very well for our people to advocate shipping into the central market of Canada. It is all very well to ask us to sell our produce in western Canada. We cannot do it under the present system of railway rates. But though our people grow the best apples that are produced in the British Empire, we are unable, through the fault of the Department of Agriculture, to get our apples into the English market which should be our chief market. The minister when on a visit to Nova Scotia came to the conclusion that we were badly treated. What we are asking to-day is, not that he should ask the Dominion Atlantic Railway, nor the Canadian National Railways, to remedy the evil it is not their business; but it is the function of the Department of Public Works to provide properly heated accommodation, so that we may be in a position to ship our products to the markets of the world. Of course, I am only speaking as the member for Hants, but the people of Nova Scotia are not going to be satisfied, they are not going to be put off with long speeches and fancy terms and pats on the back. We want proper facilities in the city of Halifax, proper piers and proper warehouses, and it is up to the Minister of Agriculture, if he is going to be true to the principles of agriculture, and endeavour to make agriculture the primary industry in this country, to see that his colleagues give us the proper facilities.

Mr. MOTHERWELL: The hon. gentleman from Hants (Mr. Martell) has raised a very important and very old question: that is, with regard to the proper care of fruit at Halifax while awaiting shipment. The arrival of the vessels is sometimes a little uncertain, and during the time of waiting a trainload of apples may freeze on the track in the exposed piers at that point. Believing that something should be done to correct that menace to the industry, I made inquiries about a large pier that is there, a magnificent one, that I thought was capable of being heated sufficiently to take care of a cargo of apples, but I was told that we could not prevail on the vessels to tie up to that pier. So that I had to abandon that idea. The next idea was to repair one of the old wooden piers, so that the train might have sufficient shelter to protect the apples while they were held there awaiting the arrival of the incoming boat, but

that would cause additional expense. The last year or two the Fruit branch by intervening with the railways have succeeded in inducing them to put on a sufficient number of heated cars to take care of the fruit shipment from the Annapolis valley during the severe weather. I have not discussed the matter with my deputy or with officials of the Fruit branch recently but I was assured last fall, when I asked our fruit commissioner how the situation was working out, that the railways had supplied a sufficient number of heated cars to avoid any reasonable risk in connection with the fruit in transit awaiting the arrival of the boats. Since then I have heard no complaint. While we did not get the protected pier, we got the protected cars; and so long as the difficulty complained of has been remedied, I do not know that it makes so much difference what method has been employed. The idea would be to run the trainload into the pier, and have sufficient protection to avoid possible freezing; but sometimes these trains of apples meet with severe storms in transit, and the best pier in the world would not protect apples that were storm-stayed; consequently the heated cars would take care of them in transit, as well as at the port awaiting the arrival of the ships. Whether that is a complete remedy or not the hon. member for Hants, knows better than I do, but that is my information. A year ago I made an interesting visit to that district and saw the condition of things, and I spoke to the Minister of Public Works about it, but I am sure the Minister of Public Works has a great many requisitions besides mine that he finds it impossible to fill at the present time. Mr. Wilson was the official down there who was giving such good service, and we are all glad to hear that good services rendered by a government official are acknowledged. Sometimes we hear them spoken of disparagingly.

An hon. MEMBER: Perhaps that is the reason he was let out.

Mr. MOTHERWELL: I do not know why he was let out but I presume somebody had to be let out, when there were too many in the department. I do not know how that was. The gentleman who is there now is Colonel G. A. LeCain. I have no information as to him. It is the first complaint I have against him.

Mr. MARTELL: I am not complaining of Colonel LeCain but complaining of a man by the name of Johnson who is your cargo inspector at Halifax.

Mr. MOTHERWELL: I understand he is in the Dairy and Cold Storage branch.

Mr. MARTELL: He is dealing with fruit. I know more about your department than your officials.

Mr. CHAPLIN: One thing I have not got quite clear. I should like to have the minister explain again what is the need for two inspections of apples. If apples are inspected at the point of shipment, what necessity is there for having a second inspection at Halifax?

Mr. MOTHERWELL: They are not inspected by the grower. They are packed by the grower and graded by him. His work may be done quite conscientiously, yet naturally he sees his own apples with a favourable eye and will sometimes grade them a little higher than they should be graded, and in order to make sure they are according to grade they are inspected at the port. But they are not all inspected; the inspector will loosen the hoops of a barrel and open up the head and inspect, and if he finds evidence of over-inspection, he will inspect the barrel more thoroughly and will mark what they are. If the inspection is done with an apparent desire to deceive, then as the law makes provision for prosecution in such cases, action of some kind is taken.

Mr. STEVENS: Is there no inspection at the point of shipment where they are loaded?

Mr. MOTHERWELL: No; that has always been the case. I remember when the Fruit Marks Act came out first over twenty years ago it did not provide the best kind of inspection, but it was the only one practicable, because otherwise you would require a whole army of inspectors.

Mr. STEVENS: Is the fruit inspected at the Okanagan valley?

Mr. MOTHERWELL: It is the grower who asks for the inspection. He is the one who gets it, and he pays $5 a car.

Mr. STEVENS: That is, in the Okanagan valley, at the point of shipment.

Mr. MOTHERWELL: Yes.

Mr. SUTHERLAND: Does inspection take place of the apples which are imported into the country?

Mr. MOTHERWELL: I understand so.

Mr. SUTHERLAND: Will the minister tell us what quantity or what numbers of barrels of apples were imported last year into Canada from the United States?

Mr. MOTHERWELL: From the United States or from all places?

Mr. SUTHERLAND: From the United States.

Mr. MOTHERWELL: Does the committee desire all the years or just last year? We have the returns for 1923-24; the number of barrels imported was 195,693. We have each year dating back to 1919-20.

Mr. SPENCE: Is that boxes or barrels?

Mr. MOTHERWELL: Barrels.

Mr. SUTHERLAND: Has the minister the figures of the exports to the United States during the same year?

Mr. MOTHERWELL: We have not them classified by countries. The total export last year, 1923-24, is 1,653,206 barrels of apples exported from Canada entirely.

Mr. SUTHERLAND: I have the figures here, but I wished the minister to put them on record. I cannot understand why he has not the exports to the United States as well as the imports. According to the trade returns issued by the Trade and Commerce Department, the quantity is 55,042 barrels.

Mr. MOTHERWELL: I have that.

Mr. COOTE: I heard the minister say some time ago that the gentleman who grew the apples graded them himself, and naturally he looked on them with a favourable eye. I heard the hon. member for Centre Vancouver (Mr. Stevens) inquire how the apples that were shipped out of the Okanagan valley were graded, and apparently some of them are not graded at all. The hon. member for Hants (Mr. Martell) said that he would like an honest protection for the honest fruit grower; we need a little protection for the honest fruit buyer. I have here a few samples of apples that came from the Okanagan. The label on the box stated that they were "fancy, delicious." I should like the minister to take a good look at each one of these apples. They come from the province of British Columbia. I would wish that these samples could be laid upon the table of the House. The one that I am holding in my hand is the best looking apple in the lot and it would make about two bites for a child.

Mr. MARTELL: If the hon. member wants some good winter apples, we can give him from Nova Scotia Northern Spies or Wageners. In the early year we can furnish Gravensteins and so on. Our late apple, which is the Russet, is a very small apple, but when we pack them we pack them well.

Mr. COOTE: My particular reason for exhibiting these apples to the committee and the minister is to draw attention to something that, I think, is very unfair. I had what I thought was No. 1 wheat that weighed 65 pounds to the bushel and it was graded by officials of the government as No. 3 wheat. With the proceeds of some of this wheat, I buy No. 1 apples, Fancy, and then I get such apples as I have exhibited in this chamber: Is there any protection for the fruit buyer? If not, it is time there was some, if we are to spend thousands of dollars in grading apples and other fruit. If we who live on the prairies are to have our wheat and oats graded in this very strict manner and then have to buy apples that are graded by the growers themselves, certainly an injustice is being done to us. Either we should be allowed to grade our own wheat or the department should see that these apples are properly graded.

Mr. LOVETT: Were these apples that are exhibited here to-day marked as No. 1?

Mr. COOTE: No. 1, Fancy.

Mr. STEVENS: I appreciate the grievance my hon. friend has brought to the attention of the committee; but I think that in justice to the grower of fruit in this country one simple basic principle ought to be remembered, and that is, that all fruit is perishable; it is not like iron or wood, that will last indefinitely. The variety of apples to which my hon. friend refers is what we call an early winter apple. I think about December is its main month of marketing. You cannot expect to keep a fall apple, for instance, a Transparent, through to Christmas. Another variety, the McIntosh, which comes along about October and into November cannot be kept over until March unless it is kept under ideal cold storage conditions, and then, once released from cold storage, it must be used immediately. The placing of creamery butter in cold storage may keep it in perfect condition, but once it is released, it must be used. The same applies to any article that is of a perishable character. It is most unfair of the hon. member to suggest laying on the table a few selected specimens of apples and to say that these are a sample of what the Okanagan fruit grower sells or markets as No. 1 Fancy. The hon. member knows quite well that that is not the case. He, like anyone else, when he buys an article, is at liberty to use his eyes and to look the article over. I quite admit that if a retailer buys from a wholesaler a dozen boxes of apples, they are released from cold storage and he offers them for sale in his store. If he does not sell them for a few days, the

very fact that they have been in cold storage and released will cause them immediately to commence deteriorating. If he keeps them in his store for a week, a month or two months—and probably these apples were in a store for six weeks or two months—naturally, they will deteriorate and they cannot be expected to maintain their perfection over a long period of time. No amount of inspection, no skill on the part of the inspector, no element of science in cold storage facilities, will ever rectify what my hon. friend is complaining of at this time. There is nothing that can be done in or out of this parliament, by scientists or others, that will change this condition; It is a condition of nature and nothing on earth can change it. I deprecate very much this suggestion being broadcasted throughout Canada in regard to the Okanagan fruit growers, a class of producers and horticulturists who have suffered perhaps as much as any other class of agriculturists in this country during the last thirty years in endeavouring to bring their products up to the highest degree of perfection possible. The result of their work is that this year the Okanagan fruit grower has, I think, time after time, taken first rank and first prize in international exhibition for his fruit.

While I am on this subject I should like to say a word in regard to some observations made by the hon. member for Hants (Mr. Martell). I was in the Old Country last fall for a few months and I took particular care, for my information and satisfaction to look into the marketing of Canadian fruit. I saw a very large quantity of magnificent Nova Scotia apples marketed in England. I saw many of our own, and also a very large quantity of western American apples, that is apples from Washington and Oregon, Hood river and Wenatchee and so on, districts in the western states, offered for sale. The Canadian apples for sale on the London, Manchester, Sheffield and Liverpool markets in England did splendid credit to Canada. We are gradually building up a system of marketing these perishable goods at great distances and we ought to pause and realize what the grower is doing for himself, with the assistance certainly of the various governments, Dominion and provincial, through their officials. We ship scores of carloads of apples from the Okanagan Valley three hundred and fifty miles by rail to the Pacific coast, load them on steamers, ship them down through the tropical climate of the Panama canal, a month's journey or more, and unload them in England. And then they are distributed all over England, and distributed successfully, too. In a less circuitous way the Nova Scotians load their fruit on the Atlantic and do a similar business. This is something which a few years ago was looked upon as a hopeless undertaking and yet it is done successfully to-day. And we are doing it by the aid of science and through the devoted attention and assiduous application of the growers, and the persistence of the producers generally, with such help as is given by the department. I say, therefore, that Canadian fruit is not represented in anything approaching a fair light by the remarks and the exhibits of my hon. friend.

Now, as to the protection of the consumer. Undoubtedly we ought to do all we can to protect the consumer, but I do not know what more we can do than we are doing. You will not do it by inspection, for if you inspect an article you examine it when it is packed, and you cannot expect that box to remain in the same condition from the time it leaves the producer until it is used by the consumer. Perhaps the consumer leaves it in his cellar or in a hot pantry, and apples that are treated in that way must fall to pieces through the very processes of nature. So that when anyone gets up and suggests that a fruit after going through these miscellaneous experiences should stand up like the perfect article he is not talking—well, I was going to say, common sense, but at any rate he is not saying what is reasonable.

Mr. HOEY: That would not apply to the size of the apples.

Mr. STEVENS: The apples have shrunk in size in the natural course of things.

Mr. MARTELL: Does not the size depend on the quality of the apple?

Mr. STEVENS: Anyone can tell by looking at this apple which I have here that it has shrunk, and apples that have been in cold storage for any considerable length of time inevitably get that way. This particular apple that has been exhibited here looks to me as if it were half cooked; possibly the assortment from which it was taken was left near the stove in a country store in Alberta and shrivelled up.

Mr. MOTHERWELL: It is supposed to be for December consumption.

Mr. COOTE: When the hon. member interrupted me—

Mr. STEVENS: I did not interrupt you.

Mr. COOTE: You did interrupt me.

The CHAIRMAN: The hon. member for Macleod (Mr Coote) had taken his seat when the hon. member (Mr. Stevens) rose.

Mr. STEVENS: In less than half a day apples that have been kept in cold storage will deteriorate when brought into a warm store. Scores of times I have seen boxes of apples in this condition in grocery stores where the grocer had no interest in nor knowledge of the business of taking care of fruit, and very often the lid is knocked off the box and the apples are set beside a stove. Naturally this would ruin them.

Mr. MARTELL: Does not the size depend on the variety?

Mr. STEVENS: Yes, of course. As to size, a No. 1 apple, which is preferred by the very best hotels, our highest class of trade, is usually about the size of this specimen I have here. You can get a Wolf River apple almost as big as my hon. friend's head—not as big as he thinks it is but as big as it actually is; and you can get on the other hand a Northern Spy, which my hon. friends from Nova Scotia produce in such perfection, two or three times the size of this one. It is not reasonable, therefore, to produce a few culls, the brief history of which no one knows, and suggest that they are a reflection on the producers of fruit in this country.

Personally I do not know very much about the activities of this branch of the department, but I do know some of the inspectors; and speaking only of those with whose work I am acquainted, I must say that the department deserves credit. And if the department observes in all its inspectors the same high standard I have found in the case of those whom I know, I should have no complaint to make in regard to the inspection of fruit. As to the broad problem of how far we should extend the system of inspection while at the same time taking care to conserve the public rights in the way of taxation, this is a question of considerable importance. I rise now, however, merely for the purpose of repudiating, and repudiating strongly, the aspersion that was being broadcast by my hon. friend in regard to the producers of Okanagan whom I have known for the last thirty years and with whose struggles I am quite familiar.

Mr. COOTE: In my remarks I did not refer to the condition that the apples were in. Now, I was born in an apple country and I have eaten my share of apples ever since I have been big enough to eat them, and I hope to continue doing so as long as I can get them. I know that a Delicious Apple will become bad in time; but for a man to say that these apples that have been exhibited here were entitled to the brand Fancy, even when they came off the tree, is absurd;

[The Chairman.]

he must have a very great imagination so far as the grading of apples is concerned. If the hon. member is proud of them I am sure he is at liberty to feel that way.

Mr. SPENCE: Did the hon. member see the box out of which these apples were taken? I have never in my life seen a No. 1 like the specimen we have seen here and I have seen many cars of apples that came out of British Columbia.

Mr. COOTE: I may inform the hon. gentleman that the box from which these apples were taken is still in my cellar at home. I bought the apples as No. 1 Fancy Delicious, and hon. gentlemen will not wonder that I have brought the matter to the attention of the minister. I have a good deal of admiration for the apple growers of Okanagan, just as the hon. member (Mr. Stevens) has, I have personal friends in that part of the country. For this very reason I think it is in the interest of these fruit growers that such apples as these should not be put out under the label Fancy. The hon. member told us of the prizes which the British Columbia apple growers were able to win in the markets of the world. That is something we are all proud of. But what we would like would be to get some of these prize apples at home, and to know that we were getting good fruit when we paid $3.75 a box for apples. And that is what I paid for this particular lot. I bought them in the town of Nanton, sixty miles from Calgary.

I am not blaming the fruit growers of the Okanagan collectively for the condition of the apples I bought, I am simply bringing the matter to the attention of the minister; and when I do so I get a nice curtain lecture from the hon. member. Has he the interests of the apple growers at heart when he tries to make out that it is all right to label apples of this size and colour Fancy?

Mr. STEVENS: The hon. member has misrepresented and misquoted me wholly and absolutely.

Mr. COOTE: So far as that goes, I leave it to the members of the committee who have heard all that has passed; I am quite content to leave the matter there. I want to ask the minister what constitutes a No. 1 Fancy apple; is there any regulation providing what size and colour such a grade of apple should be? I was very much disappointed with the apples and sent them back to the store with a request that they send me a larger size. The apples in the second box were not sufficiently red, and I sent them back with the intimation that I did not

want to buy green Delicious apples. Anyone knows that such an apple is hardly fit to eat; neither is the small size. The small sizes of certain varieties of apples are all right, but surely no one who is familiar with the Delicious apple would want them green and very little bigger than crab apples. If I may repeat, it is in the interests of the growers themselves that their apples should be graded properly, or else they are going to undermine the confidence of the public, who will want to examine every box before they buy. We on the prairies have become used to taking it for granted that the apples we purchase are of the grade marked on the box, and very often they are.

Mr. TOLMIE: Will the hon. member kindly give the name of the shipper and the district from which the apples came?

Mr. COOTE: I will tell my hon. friend when I get out of the House. If I told him here I am afraid that the hon. member for Vancouver Centre (Mr. Stevens) would say that I was broadcasting the firm's name to the world. If necessary I will send home and try to get the label off the box. If the minister would give us specifications for No. 1 Fancy apples, it might help to clear the air.

Mr. MOTHERWELL: This is the description:

> Fancy, which shall include only firm, mature, clean, smooth, hand-picked, well-formed fruit of one variety of fair colour for the variety and free from all insect pests, diseases, bruises, spray burns, visible water, clear from skin puncture or skin broken, and provided that—

I accept this sample as being a bona fide sample of the grade that my hon. friend from Macleod (Mr. Coote) says it is. But might I point out the impossibility of checking up every parcel, whether box or barrel. The apples are packed by the growers or packers and graded by them. Our inspector does not inspect every box or every barrel; that would be impossible. He does not empty the apples out. He takes the head off the barrel, knocks down the hoop so as to loosen the staves, and sometimes he takes out a stave so as to get a sectional view of the contents, and from the information so obtained he has to judge about a dozen other barrels. As in eggs we inspect only one case in a dozen, so in apples we inspect only one barrel in about a dozen. Even with that inspection we require a considerable number of inspectors. I hear complaints that my department has too many inspectors, yet if we gave inspection of every parcel of apples we would need ten times as many men, and even then an apple such as that my hon. friend refers to might escape detection. My hon. friends from the west will appreciate the fact that in spite of our inspection staff at Winnipeg and Fort William some cars of wheat get by that are

5 p.m. plugged with low grade wheat. If detected the whole carload is put at the lowest grade. Similarly with apples, when it is remembered that we inspect only one barrel out of twelve or fifteen, some inferior apples may get through. It only shows that if we had no inspection a much larger number of inferior apples would escape detection. When we had no Fruit Marks Act, I remember the quality of fruit sent into the west was terrible. A very marked improvement has taken place since, and we expect a still further improvement when the grower knows that he is going to be checked up more and more closely. Let me confirm the statement made by the hon. member for Vancouver Centre (Mr. Stevens) with respect to the quality of our apples. It is not on the inspection of one barrel or one apple that we are to judge of the quality of our apples. I can not only confirm the hon. member's statement, but I can go further, for according to the report brought back by my deputy, Canadian apples stand highest of any apples on the British market, showing that reasonable care is taken, not only by the men who grow the apples and pack them, but by the inspectors. I do not say that the system is perfect; you cannot get a perfect system of inspection as long as it is done by human means; even if every barrel were opened some odd apples of inferior quality would get past. The idea is, as has already been pointed out by one hon. member, to get such a system of inspection as will ensure to the buyer that he is getting the quality of apples described on the package and to get this inspection at a reasonable expense.

Mr. CHAPLIN: It seems to me that the inspection should take place where the apples are grown and not at the seaboard. I see no economy in reducing the number of inspectors in a county like Hants, and putting on an inspector in the city of Halifax. I think such inspection is an unqualified joke. We find the estimates for this department are increased by $18,000. We find also another item of $24,000, which is really an increase, because the minister takes that sum off this estimate in expectation of getting it from the growers. As I said before, this minister is some little spender, and I think he had better get down to earth.

Mr. MOTHERWELL: I have been charged with evading questions. I do not want to

avoid answering any inquiries. Has the hon. member asked a question or made a speech?

Mr. CHAPLIN: I have made a statement. I have asked all the questions I want answered.

Mr. MOTHERWELL: If we are going to give such inspection as will stop apples of the quality referred to by the hon. member for Macleod from coming through we will need ten times as many inspectors as we have to-day. We are giving reasonable inspection that ensures Canadian apples of the highest quality arriving on the British market, and we have the testimony of my hon. friend from Vancouver Centre, of my deputy and of others that our apples are the best of any arriving there. That is pretty good.

Mr. MARTELL: The minister should keep up the inspectoral staff instead of cutting it down as he did last year, thus putting too much work on the inspectors who have to work morning, noon and night, because they have often to show the packers the requirements of the law. Surely the apple growers of this country are entitled to have every possible assistance from the department, and I am only asking the minister not to overwork his inspectors. We were satisfied with the staff which the department had in Nova Scotia two or three years ago, but unfortunately that staff has been cut down. Now the chief inspector of fruit in Nova Scotia should be located at or near Kentville in the county of Kings which is the centre of the fruit growing belt and is a county which produces more apples than the whole of the rest of the province put together. The chief inspector has been in his present location since the days of the Laurier government. I am not criticising the chief inspector personally, but there is no question that he should be situated where the inspectors from the other counties—Hants, Kings, Annapolis, Digby, Lunenburg—can conveniently meet him. Lunenburg, I may say, was not very much of a fruit growing county in the days gone by but is rapidly coming into its own in that respect. Last year the minister dropped five inspectors in Nova Scotia. That should not have been done. The result may have been to save $5,000, but the consumer as well as the fruit grower have been injured to that extent. The fruit grower is an honest man, but perhaps one in a hundred would be crooked in the packing of his fruit, and he has to be watched. There should be a proper system of inspection, and the inspector should exercise a little common sense in the carrying out of his duties; he should, you might say, temper justice with mercy. If he finds a man wrongfully packing, a man who, perhaps, did not understand the law, the inspector should show him his error and point out the requirements of the regulations. When I asked the hon. member for Fort William and Rainy River (Mr. Manion) if he did not vote for reciprocity in 1911 he quoted the words of Tennyson:

> Yet I doubt not through the ages one increasing purpose runs,
> And the thoughts of men are widened with the process of the suns.

Yes, I doubt not that in commercial matters we must be broadened out with the process of the suns, and that is why I direct attention to some of these matters affecting my province. The hon. member for Digby and Annapolis may not agree with my suggestion regarding the chief inspector, as he is now in the hon. member's county. But the counties of Hants, Kings and Annapolis are the fruit growing counties. In Hants fruit growing is increasing, and Kings produces sixty per cent of the apples of Nova Scotia. So I say to the minister that these matters should be adjusted, and the expenditure should not be cut down with the effect of making both the consumer and the producer suffer. The apple producer in Nova Scotia is not afraid of inspection; what he wants is a fair inspection by men who will do their duty without being elated over the job they hold and without trying to put down industry. The minister brags about the fact that the fruit of Canada arrives in Great Britain in first-class shape. Quite true, but that is altogether due to the fact that the honest producer of fruit in this country wants his goods to be put on the market in the best possible condition. That is why I ask for the provision of apple facilities at Halifax by way of heating and cooling houses on the piers so that the present difficulties in respect to the handling of fruit through that port may be overcome. When the fruit arrives at Halifax it is in good order, chilled or frozen, but it often becomes overheated, before it is put on the boats. I am not advocating anything particularly for Halifax; I am asking for facilities for the fruit growers of Nova Scotia. As I have already said, do not put it up to the Dominion Atlantic Railway. They are bound to get the traffic there anyhow, whether the result is good, bad or indifferent. The Canadian National will not do it; the Canadian National to us in western Nova Scotia is not worth a snap of the fingers. I ask the minister to go to his colleague the Minister of Public Works and demand that this be done. The thing we most need in Nova Scotia is

proper facilities at the chief port in the province for the shipping of our products; we need that before we can look for larger markets. The hon. member for Macleod (Mr. Coote) made reference to certain apples which he displayed here. Now, he was born in the fruit country, but I am afraid that when he got away from fruit he ceased to know what good fruit was. He does not remember that what may be an excellent size in Northern Spy or Bishop Pippin or Gravenstein or Wagener, might be considered a very large size as compared with Russet, for instance, which is a very small apple. Now, we are not asking for unfair things. All we ask is that we get proper inspection, under efficient inspectors—and I am not complaining of any inspector—properly situated, and the necessary facilities in the way of piers and warehouses at Halifax for the handling of our fruit. The minister was himself impressed with that necessity when he was in Nova Scotia about two years ago, because he gave an interview to the press and we thought something was to be done. We were put off, however, with fine words and nice pretensions.

Mr. MOTHERWELL: My hon. friend knows that he has a heated car service now that he did not have then.

Mr. MARTELL: The heated car service is due to the Dominion Atlantic Railway, not to the department or to the government. In Halifax the department has a man by the name of Johnson who does not spend one-tenth of his time in the inspection of cargoes that go abroad. I understand that he is interested in the dairy end of it and that he also inspects fruit. It is said that he had a scheme of his own for a cage or loading device that he wanted to foist on the department. No, I cannot prove this in any way and I do not want to say anything on the floor of the House by which advantage would be taken of a man outside, but the rumour current in Nova Scotia is that Mr. Johnson was in league with the others in a plan to foist on the department this cage or loading device in which he was interested. I say to the minister that the quicker Johnson is removed from there, the quicker the chief inspector is placed in the central portion of the fruit growing belt and the quicker you get proper facilities established at Halifax, the quicker you will have a contented fruit growing people in Nova Scotia. Do not give us promises; the day has gone by in this country when people are willing to accept lukewarm promises—the patting on the back and the statement that you are a good fellow and that sort of thing will not go down. We want a recognition of the facts; we want action. We want to see results, and if we do not get results, party politics in this country will not last long—though I am a Liberal of Liberals I say this and abide by it.

Mr. STIRLING: I should not like this matter to be dropped without my making a few remarks with regard to the disgusting looking vegetables which were exhibited to the committee this afternoon. The hon. member describes them as No. 1 Fancy. I know what a No. 1 apple used to be. It has now been susperseded by an Extra Fancy. I am familiar with a Fancy apple. But I have not the least idea what a No. 1 Fancy is. It rather smacks of the mixture of thought which sometimes emanates from the oriental's brain, and I think it is possible that in some sections of the valleys of the interior the orientals may have invaded the realm of tree fruits, and have shipped out an article which they have chosen to call a "No. 1 Fancy." But whether it was fair or unfair on the part of the hon. member to bring these things here with the object of tainting the name of Okanagan fruit, I do not regret that he did so, because no finer argument could be advanced in favour of this inspection service which the growers in the interior of British Columbia have asked the Dominion government to help them to provide. It was a voluntary act on the part of the shippers of fruit. Their desire in asking for such an inspection was to demonstrate by their grade, by the accuracy with which their grade was maintained, that the exhibition fruit, which in international and imperial shows has demonstrated the unexcelled qualities of the Okanagan product, is of the same standard as their commercial pack. The fruit is grown in valleys of the interior that are pretty widespread and is collected in those valleys by various shipping houses. Many of them come under the control of the co-operative movement known as the Associated Growers of British Columbia. That associated head office has under its control from twenty to thirty "locals" and it is by the "locals" that the collecting and the shipping of apples is done. In addition there are a considerable number of independent fruit shippers, but they ship small amounts of fruit in comparison to the large quantity shipped by the Associated Growers. And so long as human nature is what it is, there will be times when the grading is not carried out in the best possible way, and if fruit inperfectly graded ever goes on the market in that way it is certain to bring trouble. That is the very reason why the growers voluntarily approached the

Dominion government, through its fruit commissioner, to help them to put on such an inspection service that they would be helped in demonstrating to the wholesale trade that they were endeavouring at any rate, to live up to the grade that is stamped on their boxes. They did not wish, in this matter, to ask for a gift from the government, for they recognize the very considerable advantages there are in working toward something they are ready to pay for. That service, as the minister himself stated earlier in the afternoon, is more than paid for by the growers themselves; and we would like to see it extended so as not only to ensure that every consignment that goes out of the various packing houses in the valley may be subject to careful inspection, but in order to stamp it on the minds of wholesalers who handle our fruit in the market, and of the consumers in Canada as well as in the export countries to which our apples are increasingly going, that when they see the British Columbia apple marked a certain grade they may be perfectly sure, so far as human possibilities go, that the apples contained in that box are of that grade. I should like, in closing, to ask the minister if he will give us the opinion of his department as to how far that very aim has been attained this year in the inspection?

Mr. MOTHERWELL: In reply to the hon. member for Yale I beg to say that the results have been very gratifying, and that we are getting complimentary letters and communications testifying to the increased guarantee the inspection gives to the purchaser of the fruit that he will get what he is paying for.

Mr. HUMPHREY: I desire, in particular, to refer to the remarks which have been made by the hon. member for Macleod (Mr. Coote) and the hon. member for Yale (Mr. Stirling). The discussion has developed practically into a consideration of the fruit growing industry as it affects British Columbia. May I be allowed to point out that the Okanagan valley is not the only fruit growing district in Canada, although hon. gentlemen to my right seem to convey that impression, nor is it the only fruit growing district in British Columbia. Let me say that the Creston district in my constituency is a very promising one, and in the matter of carrying off prizes has been quite equal to the Okanagan district. Furthermore, no such fruit as that to which the hon. member for Macleod has drawn attention has ever been known to be grown in the Creston district. With respect to the samples which have been displayed it should be pointed out that fruit on its way to the consumer has to pass through so many hands that the grower should not be held responsible for the shortcomings in every instance. Even though the grower devoted all his time and attention to the packing and grading it is sometimes hard to assure that every apple going into a box shall be up to the required standard. In the particular case to which my hon. friend (Mr. Coote) has called attention there were probably, say, four inferior specimens out of a total of one hundred or two hundred sound apples. I am in very close touch with the fruit growing district in my constituency and I believe I am safe in saying that this is an absolutely isolated case, and I am sure if the hon. member had gone to the trouble of bringing this to the attention of the grower, together with the packer's number, he certainly would have been reimbursed and would have been willingly provided with another box up to the standard it was supposed to be.

Now in regard to the fruit grower, he is the one who is most anxious to put his apples on the market in first class condition. The grower in the Creston district is doing everything possible to put the best grade of apples upon the prairie market; and I state before this committee that they consider the prairie market as one of their best markets. There is no such thing as two grades of apples going out from the fruit growing district of British Columbia. It has been stated too that the best grades go to the foreign market and that the inferior grade is used for home consumption. I believe I am quite safe in saying that that does not work out. The apple growers endeavour to supply the best grade of apples for home consumption. Two or three of my prairie friends are eager to buy if they can be supplied with the best grade of apples; and the grower has agreed to supply that market with the very best grade of apples that he can produce. In regard to the inspection, I again say that I am in close touch with the inspection of fruit throughout the Creston district, and this is the first time I have ever heard it stated by anyone that the matter of thorough inspection had been overlooked in any way. I can commend the government for the way they have endeavoured to carry out the regulations and to assist fruit growing in the Creston district. They are endeavouring to inspect this fruit, and to protect not only the grower but the consumer, giving as good a service, I think as it is possible to give under the circumstances. I have had some complaints from the growers; but as a whole the regulations have been working out fairly well, and

I am sure I would not like to have the impression created in this House or throughout the country that the case brought to the attention of the committee by the hon. member for Macleod (Mr. Coote) was a common occurrence. Keeping in mind the thousands upon thousands of cars that are sent out of the British Columbia fruit growing districts in the year, this being only one case of poor apples, I think it is not worth while occupying very much time with it. If it were a common case you may be sure that the different retail men, the jobbers and consumers would bring it to the attention of the fruit growers.

Mr. LOVETT: I cannot let the hon. member for Hants (Mr. Martell) get away with the contention that the fruit growers and the fruit growing industry of the Annapolis valley have suffered as a result of the office of chief fruit inspector remaining in Middleton. I believe it is only a personal interpretation on the part of my hon. friend. I may say that the chief inspector is not an appointee of this government but of the preceding government, at the instance of my predecessor, Mr. Davidson. The location of the chief inspector is in the town of Middleton on the border between Kings and Annapolis. I have never heard of a request from those associated with the fruit industry to have the location of the chief fruit inspector changed. Middleton is situated an equal distance from the county of Hants and the county of Yarmouth. It is in the centre of the fruit producing section of the Annapolis valley, and in addition to that the chief inspector does not sit in his office at Middleton, but visits every fruit producing section of the entire province. He goes out to the different places and looks after the section of the country under him. The hon. member for Hants spoke of the county of Lunenburg fast becoming a fruit growing section. I am glad to know that Lunenburg is improving in that respect, but if Lunenburg is to be served by the chief fruit inspector, he should remain where he is at the town of Middleton, as that is the terminus of the Canadian National railway which comes in from the south shore, and it is therefore much easier for the people of Lunenburg county to get in touch with the chief fruit inspector. I do not know the feeling of the hon. member for Kings (Mr. Robinson) on this point, but I have not heard that he was insistent on any change of this kind.

Mr. McBRIDE: The hon. member for West Kootenay (Mr. Humphrey) was quite right when he said that some people tried to represent to the people of Canada that in British Columbia the Okanagan valley was the only place where fruit could grow. I am here to state that the best fruit grown in British Columbia is grown at Salmon Arm, and if people would insist on getting fruit from Salmon Arm, they can depend upon getting no such fruit as has been exhibited here this afternoon.

Mr. LADNER: After listening to the criticism of the remarks on fruit inspection, which is very important, I am at a loss to learn why the minister should have any difficulty in that respect. Many hon. members will remember that in the famous year 1921 one of the charges levied against the government that preceded this one was that it was extravagant and wasteful. The fact of the matter is that, notwithstanding the unsatisfactory conditions mentioned in the debate this afternoon—I would like the minister to pay attention to this point, and I will wait until he is disengaged—since 1921 the increase in this one item has been 35 per cent, apparently without satisfaction to those engaged in the fruit industry. The expenditure was as follows:

1922	$145,000
1923	151,000
1924	171,000
1925 estimated	182,000
1926	200,000

Now has there been an increase in service to the country to the extent of 35 per cent. In these days of economy we are reminded of the election time in 1921 when these gentlemen spoke from platforms in the country, declaring that they would not only practise economy, but would reduce the extravagance and waste of the previous government, but now we find an increase of 35 per cent in this item which apparently does not even satisfy the members of the government themselves. The hon. member for Hants (Mr. Martell) is not on diplomatic relations with his ministers largely because some of the expenditures in his district have been cut down and because there is a lack of expenditures which had been previously made in his district. The point I am making to the committee—and I propose to make it on every item that comes up—is that the government's protestations as the champions of economy are not sincere when we find at this juncture and under present conditions in the country, although these items in themselves may be important, an increase of 35 per cent in the expenditure. Now I have a question for the minister: What services have been increased during those three years in addition

to those which existed formerly to account for the increase of $55,000 in this item? I would remind the minister that the inspection is paid for by the very industry and is not an item chargeable against the department.

Mr. MOTHERWELL: We will start first on the general complaint that the cost of administering this branch, indeed, of almost all the branches, has increased during recent years. If my hon. friend will look at the bottom of the estimates, he will find that the vote for agriculture this year is $103,500 less than last year. I am not going to boast about that; it is nothing to boast about. I would much rather see it $103,500 more than last year, as I am afraid that some of the services may not be taken as good care of as circumstances would warrant.

You cannot get away from the increase in regard to the fruit service. That is accounted for by the new service that is going to pay for itself. It is unavoidable that the amount be paid out first, but it will come back to the Receiver General and will really mean no increase. As regards the other services that have been introduced in addition to this new service, there is an improvement all along the line. More advertising is being done for fruit; more expenditure is being made in the matter of securing markets, of keeping fruit growers posted with regard to market prices, and when you add a little here and a little there all along the line of improving the service, that means more men and travel and costs money. In the main, the increase that has caused the discussion is the additional $18,000. Part of this increase is caused by the fact that we have absorbed a vote of $8,000, the grant to the Canadian Horticultural Council that was formerly in the latter part of the estimates under the heading of "Miscellaneous."

Mr. ROBINSON: As Kings county has been brought into this discussion by various members, it seems only fair that, as the representative of that county, I should say a word. The placing of the chief apple inspector in Annapolis county was done some years ago, and at that time Annapolis county was possibly a greater producer of apples than Kings. The situation, however, has changed, and to-day Kings county is the banner county in Nova Scotia in the production of apples. I think though that the question of where the chief inspector should be placed would be a matter to be dealt with by the department rather than by this committee. I would not in any way speak against the wish of the hon. member for Hants (Mr. Martell) that the chief inspector be placed in Kings county. It would hardly be loyal to my county for me to repudiate that in any way, but I still believe that is a matter for the department to decide ultimately.

I wish to say a word about the decrease in the number of inspectors last year. I do not believe this is a wise move. The apple crop in Kings county was smaller last year than in previous years, and I understand that the number of inspectors was decreased on account of the crop being about 75 per cent of an average crop. I do not believe that is a reason for decreasing the number of apple inspectors, because as the crop was small, there might be a greater tendency to over-grade. The people having been educated to expect a certain degree of grading, that should not be lowered in any way, and I do not believe the inspection during the last year was carried on as well as in former years simply because we had not sufficient inspectors to do the work.

I wish to say a word also about the bringing into this chamber of apples by the hon. member for Macleod (Mr. Coote). Speaking of the fruit growers as I know them, I believe, as a class, whether British Columbia growers or Nova Scotia growers, they wish to put on the market the very best apples possible. I do not believe it is fair to select a few apples or even one box or one barrel and to try to measure up the entire production of a province by that. We grow good apples in both British Columbia and Nova Scotia. What we require is stricter inspection, and a training and education of the people. If the new method of inspection that the minister speaks of will produce better inspection and a better grade of apples, I can assure him that we in Kings county will be in favour of it in every way.

Mr. SPENCE: I think the minister will agree with me now that it will be much better to put in a detailed statement of the expenditure for this particular item. The Fruit Marks Act has been attacked by hon. members, and in defence of this, I want to say that since the act has been established, packing in this country has been improved 100 per cent. I am sorry the hon. member for Macleod had occasion to bring into this chamber apples of this variety and sample. I have no reason to doubt that he bought this box of apples, but I have not yet known of an apple being marketed as No. 1 Fancy. There is no such grade that I know of. I have been in the business for thirty-five years and possibly I have seen many more apples than any hon. member who has spoken, but I never saw a box of that variety or quality packed or shipped anywhere. British Columbia, in the last ten years, has de-

veloped the apple industry much better than she expected. In the early days, we had to buy all our apples from Oregon and Washington. To-day, instead of doing that, we are buying all the apples we possibly can from British Columbia, and they are giving entire satisfaction. The people in that province have learned both to grade and to pack. No doubt, the Department of Agriculture has been assisting in that work and to-day we are getting good results from British Columbia.

Mr. MARTELL: I have in my hand an apple which is a Nova Scotia Wagener and which has been in the House of Commons in both heat and cold. When it came here it was hard and firm; to-day it is spongy, but it is a first class apple. Will my hon. friend undertake to help me to get a cheap freight rate for our apples?

Mr. SPENCE: I would like to get cheap rates everywhere, because high freight rates are hurting the apple business as well as every other business. An apple such as one of those exhibited by the hon. member for Macleod could have been perfect when it was shipped, say in November. It may never have been in cold storage, but lying around a place, sometimes hot and sometimes cold, it will commence to deteriorate. The time for this variety of apple was past around Christmas. It is a mean, contemptible thing to bring up a matter like that on the floor of this House and to try to hurt the apple industry of British Columbia. It ill becomes any member of this House to discredit the apple industry of this country.

Mr. MARTELL: My hon. friend knows that certain apples are good at certain seasons.

Mr. SPENCE: Certainly.

Mr. MARTELL: It is of no use to bring in the month of February say a Bishop pippin which is good in the month of December, or a Gravenstein, which is good for September or October and possibly until the first part of December, in February when it is spongy, and to show them as samples. Apples must go according to season.

Mr. SPENCE: That is perfectly true as regards apples. Some apples will live up to April and some up to June.

Mr. MARTELL: It depends on the variety.

Mr. SPENCE: Yes. These apples that have been shown here probably went bad about two months ago, but there are apples that will be worthless in November and others in December. A Delicious No. 1 can be kept in cold storage and be of real value at this time of year, but that does not necessarily apply to this apple. I am proud to know that there are in the House members from British Columbia who are capable of defending their own province; and I refer especially to the new member who represents the constituency of Yale (Mr. Stirling). That hon. gentleman certainly knows how to defend himself and his country and I am glad to have the opportunity of saying this word on his behalf. We should all be pleased to see the apple industry of this country develop and we should give it every encouragement. If the apple industry of British Columbia went down we should all be forced to buy our apples elsewhere. Of course, we should no doubt get supplies from Nova Scotia, but that province, being on the seaboard, commands an overseas market in England, and for that reason we do not use many of the Nova Scotian apples. A few years ago we got considerable quantities of the eastern fruit in Toronto and Montreal but there is a bigger demand for it in the Old Country. I must congratulate the province of Nova Scotia as well on its apple industry; undoubtedly there has been a great improvement in every respect. I remember the time when one could not get an honest apple from Nova Scotia any more than from Ontario, but to-day there is not a province that ships out apples that are not fit for consumption. You can sit in your office and ship a consignment of apples from any one of 90 per cent of our packers, and without looking at the fruit rest assured that it will be free from criticism. That is what the act has done for us and the Department of Agriculture is to be complimented on its work. I am not referring particularly to the present department, but ever since the act came into force every minister over the department has approved of it. And why should they not? We are spending a lot of money in this connection and some day I hope we shall see perfection.

Mr. ROSS (Kingston): I am quite surprised that neither the minister nor his deputy has referred the committee to the section in the act which would easily answer all complaints made in regard to the selling of fruit. This summer a large quantity of peaches was shipped throughout the country and one dealer in Kingston had the misfortune to receive a large number of packages which were unfit for consumption.

An hon. MEMBER: Surely not.

Mr. ROSS (Kingston): If the hon. gentleman who makes that remark knows so much about fruit he ought to be aware of the pro-

vision in the act which would save him and others a few dollars in transactions of this kind. But whether or not the Department of Agriculture thinks fit to draw the attention of the public to this matter, I, for one, would feel that I had been remiss in my duty if I did not refer the committee to the section of the act which I have mentioned. If those who have made complaints had been aware of this provision it would have prevented the loss which they have incurred. This summer a large quantity of peaches was shipped from the Niagara district and sold, and a few days afterwards it was found that the fruit was unfit for consumption. I took the matter up with the department and I will give them credit for having referred me to the section of the act governing this matter. By that one action of the department the consumer in the city of Kingston was saved quite a few pennies. The section in question reads:

(7) No person shall sell, or offer for sale, any fruit in any package that is so diseased, wormy or otherwise depreciated as to render it unfit for consumption.

That provision appears on page 8 and it is sufficient to protect the consumer. If the fruit is not fit for consumption all he need do is return it. The dealer in Kingston refused to pay for the consignment of peaches and I was pleased to know that this section was in the act. The consumer in all cases can have recourse to it, for it is intended for his protection. As I said a moment ago, I am surprised that the minister or his deputy did not mention the clause in reply to the complaints made.

Mr. MARTELL: Is there not also a clause in the act providing for prosecution and summary conviction in case of misrepresentation.

Mr. ROSS (Kingston): Absolutely; it is all in the act.

Item agreed to.

Seed, feed and fertilizer control, $295,000.

Mr. MEIGHEN: The man who makes up the agricultural estimates deserves the description which one of our writers applied to King Charles I. He said that the king just before his death had confessed his sins in half an hour, and observed that he was a great master of condensation. The other estimates are all much more detailed than those of the Department of Agriculture; why, I do not know. In the agricultural estimates five or six million dollars is crushed into about eight or nine items: for example, there are live stock, $1,280,000; experimental farms $1,440,000; health of animals, $1,905,000, and so on. It seems to me that we could study them in advance and compare them with other years much more easily if they were subdivided as is the case in Railways and Canals or in Public Works. I do not say that the minister initiated this plan; I do not know who did; it may have been the hon. member for Marquette (Mr. Crerar), but the condensation is carried to an extreme. It means nothing at all to be told, "Live stock, $1,280,000", if the various activities of the Live Stock branch do not appear. If they were given half a dozen in number the estimates would be much more illuminating and one could study them in advance.

Mr. MOTHERWELL: That criticism is well taken. I have not found it easy introducing reforms in this House; I have tried a few but I find that one runs up against a stone wall before he has got very far. To a large extent, therefore, I have been accepting these matters as I found them. If, however, my hon. friend will look more closely he will find that the arrangement is different. I have here these votes subdivided however, into six or seven items. We have for example, for administration $11,000; subventions in connection with seed fairs, $77,500; Inspection and Sale Act—that is to say, the new Hay Act we have taken over this season for the first time—$12,000. Then we have laboratory and inspection services, which is a system of laboratories that extends across the country almost from ocean to ocean. The first of these is situated at Calgary and provides for the inspection of grass and clover seeds, germinating tests, freedom from weed tests, and so on. That inspection applies to the whole five subdivisions into which Canada is divided. The next is at Winnipeg, and gives similar services. The next is at Toronto, the centre of the grass and clover seed business of the Dominion. The next is the central station here at Ottawa. There are also fees for chemical analyses; these are given to certain analysts who have authority to analyse the various brands of fertilizer placed on the market. Roughly speaking, that is the subdivision of the work under this branch, but it includes other services of minor importance.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

The CHAIRMAN: Item No. 50: Seed, feed and fertilizer control, $295,000.

Mr. LUCAS: Will the minister explain this vote?

Mr. MOTHERWELL: We had five minutes on this vote before six o'clock. The leader of the opposition suggested that these votes be subdivided as to the various branches of expenditure, and I have concurred in that suggestion. I will give the subdivisions of each vote as we come to it.

Mr. BROWN: Will the minister repeat the subdivisions of this item, which he gave before six o'clock?

Mr. MOTHERWELL: Administration costs, $11,000; subventions for seed fairs, $77,500, including production and markets; Inspection and Sales Act, $12,000; laboratory and inspection service, $180,000; fees for chemical analyses, $5,000; sundries, $10,000.

Mr. STEVENS: What progress is being made in that branch which has to do with the improvement of seed?

Mr. MOTHERWELL: About twenty years ago the Canadian Seed Growers' Association was organized with the idea of producing pure seed which would be true to variety. They have members all over Canada and they conduct a very active campaign in this direction. In Alberta a plant has been established for the cleaning of any of this registered seed that is offered for that purpose in order that it may be fitted for the market. It is impossible to put seed in first class condition for the market with the ordinary farm appliances, and by means of this seed cleaning apparatus they make the seed comply with the provisions of the Seed Control Act. There is a similar organization in Saskatchewan, with Moosejaw as its headquarters. During the last twenty years not only this registered seed but the various commercial seeds that are put on the market—clover, grass and garden seeds—have been greatly improved, and an export market has been established on account of the high quality of our product. Moreover, when seeds are imported our inspectors have samples sent to their laboratories and these are carefully inspected before they are allowed to go on the market. This service has also been extended to field and garden seeds such as beets, mangels, and the like. The Seed Control Act, which came into force a little over twenty years ago and has been twice revised, is admitted to be one of the best seed control acts on the continent.

Mr. LUCAS: Is this seed cleaning done in a central plant, or are there various plants throughout the Dominion?

Mr. MOTHERWELL: In Alberta it is done at one plant, and there is one in Quebec. It is purely a voluntary matter.

Mr. LUCAS: Are these not provincial activities?

Mr. MOTHERWELL: Oh, yes; they are usually organized provincially, and in each case I think a good deal of assistance is given by the provincial government.

Mr. LUCAS: I know that Alberta has recently established a seed cleaning plant but I was not aware that the Dominion had given any assistance to it.

Mr. MOTHERWELL: Yes, we give them a grant.

Mr. LUCAS: What is the amount of the grant?

Mr. MOTHERWELL: It does not go to the cleaning plants; these have only recently been established. The grant is for educational work generally and for the organization of seed fairs. The straight grant to the Seed Growers' Association is $10,000, and the amount under the head of production and markets, including subventions for seed fairs, is $77,500. This plan was adopted some fifteen years ago for the purpose of unifying seed fairs.

The Dominion held seed fairs, and the provinces also held seed fairs. Finally it was decided by the Dominion Seed branch that instead of holding Dominion seed fairs they would hand over the amount available for the purpose to be administered by the provinces, and that practice has been in vogue ever since. It was one of the steps taken to avoid overlapping. While it did not save us any money, it resulted in a consolidation of the work and, I think, yielded better results.

Mr. DECHENE: Is the minister able to tell us whether any money is still given to farmers who are trying to raise seed for seed purposes? I remember that some years ago the federal authority used to give a subsidy, or an amount of some kind, to help the farmers to produce seed. In fact I remember that in the province of Quebec clover seed was grown by encouraging farmers to form co-operative associations and obtain the necessary machinery for the purpose. The province used to make a contribution, and I think the federal government also granted a certain amount towards the production of this seed. Since that time the province of Quebec has been growing its own clover seed, instead of making importations as it used to do. I think if we could aid the farmers to some extent in the way I have indicated it would have very good results.

Mr. MOTHERWELL: From what I can gather from the hon. gentleman's remarks he is referring to one of the functions of these seed fairs.

Mr. DECHENE: I remember well that in my constituency some ten years ago the farmers organized a small co-operative society to buy the machines necessary in the production of clover and other seeds.

Mr. MOTHERWELL: I think any aid granted of that kind must have been by the provincial Department of Agriculture.

Mr. DECHENE: No, I think there was a grant from the federal government as well as the provincial authorities, and it gave very good results. In fact they were so successful that we are exporting clover seed now instead of importing it.

Mr. MOTHERWELL: I understood some assistance of the kind used to be granted towards the purchase of machinery, but it has not been given of recent years.

Mr. DECHENE: As I say, the grant was very helpful to the farmers and brought about very good results without much cost to the federal treasury. I think if the minister would look into this question again he would see the desirability of restoring the federal grant for this purspose. Aid by the government should not be confined to the fair associations. In the case of these agricultural associations the farmers usually come round to the member for a five dollar contribution. My hon. friend the member for Rimouski (Sir Eugène Fiset) who is sitting beside me suggests $50. That might be a proper amount for wealthy men but in the case of poorer members they are satisfied with $5. I think it would be a very wise measure to encourage the formation of co-operative associations of farmers to purchase the proper machinery for growing improved seed. When they go to a dealer they get what is called "No. 1" seed but sometimes that seed is not what it professes to be. I would urge the minister and his officials to consider the matter and see whether aid of some kind cannot be granted. The provincial government might also unite in helping these co-operative organizations to purchase the necessary machinery in order to produce their own seed. In that way more beneficial results could be had than by any other method.

Mr. MOTHERWELL: I shall be very glad to consider my hon. friend's suggestion.

Mr. LUCAS: Will the minister tell us how the $77,000 referred to is apportioned among the provinces?

[Mr. Dechene.]

Mr. MOTHERWELL: It is primarily on the basis of population as nearly as it can be arrived at. Of course some provinces, by reason of their more efficient organizations, take greater advantage of the system. In other provinces there have not been organized so many seed fairs. At any rate the basis of apportionment is the population. But the farmers must organize locally before they are eligible for the grant.

Mr. LUCAS: Does the administration of the Feeding Stuffs Act come under this vote?

Mr. MOTHERWELL: Yes.

Mr. LUCAS: Last year that act was amended. I should like the minister to state how it is working out in its amended form?

Mr. MOTHERWELL: We have not had a single complaint since. We were acting right on the straight in connection with that matter, although I noticed at the time there was a good deal of suspicion as to what the object of the amendments was. However, I do not think we have had a single complaint since. Our miller friends are behaving beautifully.

Item agreed to.

For experiments in dehydration, $15,000.

Mr. MOTHERWELL: This class of expenditure was first incurred two years ago for the first time for the purpose of utilizing some of our second grade fruits. They were not exactly culls, but at the peak of the season it was felt that every practicable means should be used to take care of the peak crop when the fruit was ripening in order to save as much of it as possible from any ultimate damage. In view of the fact that millions of pounds of dried fruit of various kinds were coming into the country from the outside, it was felt that it would be a calamity to allow a lot of our own fruit to go to waste for the lack of some system of dehydration. Dehydrating is nothing but drying in accordance with the most scientific methods. There are members of the committee who can recall that apples used to be dried by hanging them round the kitchen stove pipe, a convenient roost for the flies. Later on the evaporated apple system came into vogue and it was a great improvement. Well, the dehydration system is just as much an improvement on the evaporated method, as evaporation was an improvement on the old kitchen drying system, and three experimental plants have been put up, one at Grimsby to take care of the Niagara peninsula, one at Ottawa, and the other one at Penticton in the

Okanagan valley. I do not know that I can furnish any evidence yet that capitalists are prepared to put the necessary money into a plant; but we are demonstrating the feasibility, and the practicability of it, and the quality of the goods. They are being recognized as very much superior to dried fruit and almost equal to green fruit. That is the position, and that is what this vote is for.

Mr. BROWN: Have the experiments up-to-date been profitable? Have you demonstrated the profitableness of the venture?

Mr. MOTHERWELL: As we are experimenting with such comparatively small quantities, we have to make an estimate as to that; but we figure that it will be profitable. Really a commercial plant would be much larger than these plants I refer to, and making allowance for that fact we think it will be profitable. There is no reason why it should not be.

Mr. STEWART (Humboldt): Can the minister tell us how dehydrated fruit is received by the public? I have noticed that it is offered for sale in certain stores in this city, and perhaps the minister has some figures as to how the public are receiving it.

Mr. MOTHERWELL: We have had samples of it in the offices here, and a good many hon. members took pleasure in sampling it, because it tasted "real good," and the public have taken to it well. It is a matter of keeping it before the public. That is a practical way of advertising it and I think will get the result.

Mr. TOLMIE: What is the difference in the effect between dehydration and evaporation on the tissue of the fruit itself?

Mr. MOTHERWELL: I think the secret of it is that the dehydration is done under better conditions and the fruit is not subject to the constant change of air, and the effect on the tissue is not the same. Dehydration is very much more favourable because of the fact that the product retains the flavour of the green fruit better than in the case of any other method.

Mr. TOLMIE: Dehydration does not break down the cells the same as evaporation does?

Mr. MOTHERWELL: I think not.

Mr. TOLMIE: What is the difference in the cost of dehydration as compared with evaporation?

Mr. MOTHERWELL: We have no figures on that. It is pretty hard to get figures sufficiently reliable; and furthermore we have not an evaporation plant.

Mr. TOLMIE: I understand the handling is about the same, but what is the difference in the consumption of fuel?

Mr. MOTHERWELL: We have only one plant. In order to make an intelligent comparison we would require to have an evaporating plant running at the same place.

Mr. TOLMIE: I understand it requires only half as much fuel in the one case as the other. What was the nature of the test they had in British Columbia? What quality of fruit do you use for best quality of dehydrated product?

Mr. MOTHERWELL: It is just like anything else, the better the fruit you use the better the dehydrated product would be; but we can use a second grade fruit, which otherwise would be a drug on the market; and in this way we prevent that waste. First class fruit would make a good dehydrated product but there is no particular object in putting first class fruit into dehydrated plants, because it could be sold on the market. In the same way you would not want to make pulpwood out of first class timber although I believe it is sometimes done.

Mr. TOLMIE: How many pounds of fresh apples are required for one pound of evaporated fruit and how many pounds would be required for the dehydrated fruit?

Mr. MOTHERWELL: We have not that information. To make a real test between this system and the evaporating system all along the line, we would require to have both systems. The principal object we had in mind was to take care of a lot of second grade fruit as the season was approaching when it would be a glut on the market. We desired to put it on the market in a more toothsome and acceptable condition than ordinary dried fruit. There is really a prejudice against dried fruit, if it is not well done. However, there is not sufficient prejudice to prevent enormous quantities of it coming into Canada. Apparently they have it down to a greater science in other countries than we have reached in Canada; otherwise I cannot imagine why so much is imported. Plums, apricots and apples come into Canada in enormous quantities, running into the millions, and our aim is to put a better article on the market by means of this dehydration.

I may say to my hon. friend from Victoria (Mr. Tolmie) we have not the information as to what amount of raw fruit it takes to make a pound of dehydrated fruit. We know however that because of the cellular construction of the fruit being well maintained, the moment it is moistened it swells out almost like green fruit; you can scarcely distinguish the difference. I have here statements of some of the importations of dried fruit, which we wish to have replaced by dehydrated fruit eventually. Apparently there is a great deal of fruit which is not dehydrated being brought in. Here are the figures:

	Pounds	Value
Apples dried..	1,216,631	$ 56,000
Apricots dried..	1,627,000	144,000
Peaches..	1,574,000	132,000
Prunes and plums unpitted ..	10,403,000	474,000

I am not giving the odd dollars, just round numbers. In the face of these large importations and the very considerable waste of green fruit in the fall, we felt it was advisable to use every means practicable to take care of our green fruit rather than to have it go to waste. The future only will tell the result.

Mr. TOLMIE: Suppose you had a hundred pounds of evaporated fruit and a hundred pounds of dehydrated fruit, and you moistened them, how many cooking pounds would you have of each?

Mr. MOTHERWELL: I do not think we have that for information.

Mr. TOLMIE: I am not asking these questions to embarrass the minister. I may say that the dehydrated fruit is of very great value to British Columbia.

Mr. MOTHERWELL: Would the dehydrated fruit be the heavier?

Mr. TOLMIE: Yes, it is heavier. With reference to the sun-dried fruit in California that we hear so much about, are they still drying it in the sun or using the dehydration process?

Mr. MOTHERWELL: Our information from the Fruit branch was that most of these importations are dehydrated fruit.

Mr. TOLMIE: I understand that dehydrated fruit is taking the place of dried fruit in California to such an extent that, whereas in 1922 there were only four plants in California, last year there were 1,500. Owing to the fact that they have advertised sun-dried fruit in California to such an extent, and sold so much real estate on the strength of the sunny climate, they are keeping the dehydration under cover; but dehydration of prunes can be done in 22 hours as compared with six weeks by the sun-drying process.

Mr. STEWART (Humboldt): This is the third or fourth time that I recall this vote having come up in the estimates, and I am wondering how long this experiment will have to be conducted to get conclusive results. Perhaps the minister can give us some information as to what further results may be expected if the experiments are carried on this year.

Mr. MOTHERWELL: This is only the second year that I can recall—and my deputy confirms me in my statement—that we have had this vote.

Mr. STEWART (Humboldt): The estimate of last year was $10,500, I think.

Mr. MOTHERWELL: Yes, then this is the second year.

Mr. STEWART (Humboldt): I mean for the year before.

Mr. MOTHERWELL: Let us put it then at three years. This is more or less like any other class of investigation work. We do not expect to sow to-day and reap to-morrow in this world. It is a sort of missionary work. You have to cast your bread upon the waters and sometimes wait for many days to get returns. At this time when there is not much capital seeking investment, you cannot expect many results. There are many reasons why there is not much capital seeking investment. In the first place, capital would want to see this a little further demonstrated. Moreover, we have labour and other troubles that make capital timid at this particular time, and I would be surprised to see a great deal of capital invested in this right now. Later on, when capital is not so timid, is freer, I hope to see investments, if we can demonstrate in the meantime that this is good business. Judging from the remarks of the hon. member for Victoria City (Mr. Tolmie) and from our own information that large quantities of dehydrated fruit have been coming in from the United States, I see no reason why we should not be able to dehydrate just as well in Canada. So far, we have not done so. We have been keeping on importing the foreign goods. We have no estimate how long we shall have to continue this experiment, but I would imagine that we shall have to continue it for two or three years more.

Mr. STEWART (Humboldt): I was desirous of finding out whether there was any hope of achieving any result, or whether the de-

partment is simply tiding this over for a further period. What is the nature of this vote? Is it for experimental purposes, or is it simply to keep this product on the market?

Mr. MOTHERWELL: For both purposes. It is to demonstrate that dehydration can be done in Canada and also to take care of the surplus fruit. Some varieties are better adapted for putting on the market in a green state. Others, that are less acceptable for putting on the market in a green state, can be put on the market in a dehydrated state. One would not think of putting on the market as pulpwood some of our finest timber. It is timber of inferior quality that is put on the market as pulpwood.

Mr. STEWART (Humboldt): The minister does not get my point. We do not maintain an experimental bureau year after year in order to demonstrate to the lumbermen of this country that they should not put certain timber on the market as pulpwood. It has been pretty well demonstrated, through these experiments and experiments in the United States, that dehydration is a success and can be just as successful in Canada as elsewhere. If that is so and there is nothing further to be gained in the way of experiments, why continue this vote from year to year?

Mr. MOTHERWELL: Would my hon. friend suggest a period at which he thinks this experiment should terminate? The committee will remember that the other day we ceased demonstration work in connection with the dairy business, the Finch creamery. That was run for twelve or thirteen years as a demonstration to show that a large creamery was capable of turning out butter and cheese and of handling milk and cream. It took twelve years to get the full advantage of that experiment. After having sold it to a private company, we were still adversely criticised because we did not keep it on. We concluded that we had come to the end of that experiment; that we had made the demonstration, and yet we were criticised for parting with it. My hon. friend wants to know why we do not discontinue this experiment at the end of two or three years. I do not think twelve years will be necessary to demonstrate this properly; but in addition to experiments as to the acceptability of fruit when it is dehydrated, there are other experiments as to what particular varieties of fruit lend themselves best to dehydration and what it is best to put on the markets in a green state. That will take some years to demonstrate, and I do not think my hon. friend should be in too great haste to terminate this experiment. It is doing good work and we will not run it one year longer than necessary.

Mr. BROWN: Are experiments being carried on in regard to other fruits than apples?

Mr. MOTHERWELL: Yes, all fruits.

Mr. STEWART (Humboldt): I do not wish the minister to misconstrue my attitude in this matter. Although I come from a province which does not engage in the production of fruit, I would not want it to be supposed that I am opposed to experiments along this line. I have, however, observed that it is sometimes difficult to discontinue these experiments and inquiries that we start in this House, and it is well that we keep our eye on these points. If the minister can show us—and that is the question which I have asked him—that there is actual reason why this experiment should be carried on with the hope of good results, I am in favour of carrying it on to the extent of twelve years, if necessary, but I want to be sure that it is being carried on with some prospect of definite results.

Mr. MOTHERWELL: I think I have shown my hon. friend, in the case of the Finch creamery, that we can stop these experiments, return to the government treasury the full amount that was expended and also distribute a very large amount of money amongst the farmers of the district. We do not hope to have such magnificent financial results in this case, but we hope to demonstrate to capital that this is a good business in which to invest money. This is not a particularly attractive time for capital, and we should not stop in the middle of an experiment of this character, but should proceed.

Mr. TOLMIE: As regards British Columbia, the government plant was burned out in 1923 and there has not been a chance to demonstrate there.

Mr. MOTHERWELL: We have restored that.

Mr. TOLMIE: I understand that in 1924 it was very successful. Has the 1924 crop been disposed of?

Mr. MOTHERWELL: It has been distributed around and sold. We have renewed the plant.

Mr. TOLMIE: What success has the department had with crabapples?

Mr. MOTHERWELL: The experiments have been successful in the extreme in connection with crabapples. They jelly out as well as if they were green apples.

Mr. ANDERSON: What was done with the product?

Mr. MOTHERWELL: It was sold. There are a few samples around Ottawa.

Mr. ANDERSON: What quantity of fruit has been experimented on?

Mr. MOTHERWELL: The following amounts were paid for fruit in Grimsby and Ottawa in 1924:

Grimsby—	
Apples	$2,576 99
Pears	548 40
Peaches, cherries and plums	57 15
Total	$3,182 54
Fruit bought at Penticton, in 1924, apricots, peaches and pears, fresh	$2,435 18
Prunes and crabapples (culls)	167 18
Total	$2,602 36
From the United Growers, outside lots, including loganberries	$ 600 00
	$3,202 36

Mr. ANDERSON: I presume it is the object of the minister to get some private concerns to take up this method of dehydrating fruit and to establish a plant in Canada?

Mr. MOTHERWELL: That is the idea. I would not be surprised if the fruit growers, if they can once get their stride, will take this up themselves as a part of their activities.

Mr. ANDERSON: Are any companies thinking of taking up the system?

Mr. MOTHERWELL: The associations are taking more active interest in the matter. They have already taken the initial steps to organize a co-operative pool throughout Canada for the purpose of selling fruit and there is no doubt that they will investigate every branch of activity to make the thing successful.

Mr. MARTELL: Is the government subsidizing any plants at the present time, or are there any in existence of which the government is in control?

Mr. MOTHERWELL: We are handling it ourselves.

Mr. MARTELL: Where are these plants located?

Mr. MOTHERWELL: There is one at Grimsby, one at the experimental farm in Ottawa and one at Penticton in the Okanagan.

[Mr. Tolmie.]

Mr. MARTELL: Does the department contemplate establishing one in Nova Scotia?

Mr. MOTHERWELL: We will establish one if there is a demand for it, but there does not seem to be any necessity for such an undertaking in the Annapolis valley, where climatic conditions are cooler and consequently there is no danger of glut on the market. In the Annapolis they can harvest their apple crop conveniently inasmuch as they have early and late varieties. By starting soon with the early varieties they can get this crop off their hands before the late ones come in, so that there is no danger of any loss through a glut on the market. And the facilities make for a satisfactory condition of affairs. I do not think that there has been any particular demand for a plant down there. In British Columbia, however, where there is a quantity of smaller fruits, things are different; and the same applies to Niagara. In these places there is a tremendous glut and every conceivable effort is necessary, in the way of cold storage, freezing, drying, and so on, to enable producers to harvest and dispose of their crops satisfactorily.

Mr. MARTELL: Some of the earliest varieties in Nova Scotia are not picked, for the reason that the fruit growers have no market for them; and there is also a great percentage of culls or windfalls which people do not bother with at all. Will this process enable them to treat their apples profitably?

Mr. MOTHERWELL: Yes, I think so. If there is any demand for the system down in Nova Scotia we shall be glad to test it out. I remember a violent storm that took place in that part of the country some time ago when the ground was covered with windfalls, which no doubt could have been profitably treated. We shall be glad to consider the matter.

Mr. MARTELL: I take it that the minister will undertake to give the system a trial in what is commonly called the Annapolis valley, but particularly in the county of Hants.

Mr. STIRLING: Is dehydration carried on in the three western states of the American union, Washington, Oregon and California, or are those states watching the experiments in Canada?

Mr. MOTHERWELL: They took the lead in this matter. Their interests are extensive and their co-operative activities are quite marked, particularly in California. I understand that a great part of the fruit we import from the United States is treated in this way. I have no information as to how the system is working there.

Mr. TOLMIE: Under this process 5 pounds of crabapples will make 4½ pounds jellied; at the end of one week they will yield only 3½ pounds, while after two weeks there will be only 1 pound of jelly. Many of these apples reach the prairie provinces in about a week's time and the jellying properties are preserved in this process; the apples can make as much jelly as the fresh fruit will yield.

Mr. KELLNER: In operating the plants, do you buy the fruit and re-sell the product or is the farmer charged so much for the operation? A second question I should like to ask: In view of the fact that we have had a two-day discussion now of provincial rights, does not the minister think that this whole work belongs to the provinces and that he is infringing on their sacred rights when he undertakes activities of this kind?

Mr. MOTHERWELL: As soon as any particular kick is registered from the standpoint of provincial rights we shall accept the hon. gentleman's suggestion and gracefully withdraw. We are not imposing ourselves on anyone who does not want our assistance. The plant at Penticton and the one at Grimsby were anxiously requested.

Mr. KELLNER: With regard to the operation of the plants, do you buy the fruit and re-sell the product?

Mr. MOTHERWELL: Yes. I read the amounts a moment ago showing what quantities were bought.

Mr. KELLNER: Did the minister read a list of the sales also?

Mr. MOTHERWELL: We have not a complete statement of that inasmuch as we have certain stocks on hand.

Item agreed to.

Live stock, $1,280,000.

Mr. MOTHERWELL: In regard to this item I might submit the following analysis of this substantial amount:

Organization of horse clubs..	$ 65,000
Remount stations, of which there are 4, 2 in Ontario, 1 in Alberta and 1 in Quebec.. ..	15,000
For motors and inspectors..	46,000
Fox development: for promotion of the fox industry, principally inspectors, and in connection with registration and certification..	20,000
Cattle, record of performance..	56,000
Bull distribution..	140,000
Livestock promoters' work..	119,000
Sheep and goats, including wool grading.. ..	8,000
Sire distribution..	5,000
Co-operative marketing..	7,000
Sheeps fairs..	7,000
Boys' and girls' clubs..	3,000
Salaries and expenses..	65,000
Various minor matters..	5,000

Without going further, I may say that the same activities run all through the departments of swine and poultry. Some of these services should be strictly provincial, such for instance as boys' and girls' clubs, swine clubs and sheep clubs. Strictly speaking these activities are associated with production and they are provincial; and whenever a province becomes familiar with the value of the work we have gradually handed it over to the provincial authorities. In the western provinces at the present time a good deal of the cow testing and organization work has been handed over to the provincial departments. In the Maritime provinces and in the older provinces the work is still conducted by this department although I am watching for the opportunity of gradually handing it over to the local authorities because it is really work that they should do. Sometimes they cannot do it however and rather than have it neglected we take care of it for the time being.

Mr. FORKE: It is rather unfortunate that estimates should be printed in this way. I cannot keep track of the different amounts and the various activities to which they are devoted. I tried to follow the minister while he was making the statement, but I could not get the details. The right hon. leader of the opposition (Mr. Meighen) objected this afternoon to the items being included in a lump sum; I make the same objection now. I think the estimates are printed in a very impracticable form.

Mr. MOTHERWELL: I agree with that, Mr. Chairman. Before the estimates were prepared I asked my deputy to try to remedy the situation, and I have two pages of particulars affecting all the branches of live stock under one vote, exactly as I have read the details. If it is the wish of the committee to have the vote so minutely subdivided, I shall certainly endeavour to have it in this form.

Mr. FORKE: We had better proceed as we are at present. We are not shorthand writers and therefore cannot take down the details as the minister reads them out.

Mr. MOTHERWELL: I suppose the present form was thought more convenient by those who originated it, but I agree it is not satisfactory to hon. members who are not familiar with the vote and desire to criticise it.

Mr. SPENCE: Take it item by item, and we will get through it a little quicker.

Mr. MOTHERWELL: All right; horse club—

Mr. SUTHERLAND: Before the minister proceeds, I took exception the other night to the voting of money in a lump sum without having information as to what it was to be used for. After several hours of discussion we elicited that there were two items in the estimates which were not to be used under the vote in which they were included, one of those items being cow-testing, which was to be transferred to the live stock vote. This is a very large sum, amounting to $1,280,000, and probably the most important of the minister's estimates. By referring to the Auditor General's report we find how the money was expended in the previous year under the headings there given. They are not so very numerous. I think if the minister would have particulars of his proposed expenditure placed in the hands of members it would facilitate the passing of his estimates and save a lot of cross-firing that does not conduce to the very best feeling at the time. I know there is a good deal of dissatisfaction with the way in which a considerable portion of the money voted under this item has been expended in the past. As the leader of the Progressives (Mr. Forke) has indicated, it is impossible for us to take down the particulars as read out by the minister and know exactly what is being done.

Mr. LEADER: This very important item of $1,280,000 is worthy of careful consideration. Good live stock being one of the determining factors in the improvement of agriculture, I may be pardoned for saying a word or two in regard to this industry. I wonder if the minister or the government have entirely given up the notion of effecting better trade relations with the United States? The rearing of live stock can only be profitable if we secure proper markets for its disposal. Our logical market is to the south. I do not wish to minimize the importance of the home market, which I think is the best, but the next in importance for live stock, as well as for other farm products, is certainly that to the south. In 1923 we shipped 120,947 head of cattle to the United States, in 1924, 183,000, and in former years our shipments were even larger, amounting in 1920 to as high as 500,000 head. In spite of the fact that we are penalized by a duty of $20 per head entering that market, we have to send them there anyway.

I have secured some figures from the Bureau of Statistics relating to the cost of shipment of our cattle to the United States markets. The cost of transporting a one-thousand pound steer from Calgary to St. Paul is $7.05, and to Chicago $9.20, as against a cost of $45 per head to Liverpool; from Winnipeg to St. Paul the cost of transporting a thousand-pound steer is $4.20, and to Chicago $5.85, as against $42 per head to Liverpool; or a saving in favour of the American markets of approximately $36 per steer. The following quotations from the Chicago and the Winnipeg markets, taken from the agricultural papers of February 5, will no doubt be interesting to the committee:

Comparative prices on Feb. 5, 1924

	Winnipeg	Chicago	Difference
Choice steers..	$6.75	$12.50	$5.75
Prime butcher's steers ..	6.00	10.50	4.50
Common butcher's steers	4.00	9.00	5.00
Choice feeder steers ..	4.75	8.00	3.25
Choice stockers	3.75	7.25	3.50
Butcher cows..	4.00	7.50	3.50
Butcher heifers..	5.00	10.50	5.50
Choice calves	8.00	14.75	6.75

Now, I maintain that one of the greatest blunders ever made in Canadian politics was when we voted against reciprocity with the United States. I say "we" because I was one of those—as I have confessed in the House before—who voted against the proposal. Since then I have had my eyes opened, and I wish I could get another chance to-day to vote in favour of reciprocity. I know that this proposal is not considered in a favourable light in some sections of the House and in certain sections of the country; and we read that reciprocity is not now favourably considered by many people in the United States, particularly the government, but I believe a big body of people across the line are in favour of closer trade relations with this country. In proof of this statement I have here a clipping from the Fair Tariff League pamphlet printed in the United States, a league having a backing of about three million people. The matter is of such importance that I deem it my duty to delay the committee in order to put this on the record. It says:

9 p.m.

The research department of the American Farm Bureau Federation, after thorough investigation declared that there is practically no benefit to any phase of the American cattle industry from the present tariff, and that it is a distinct injury to cattle feeders.

The U. S. Tariff Commission reported to congress in 1922 that the only effect of the emergency tariff was to injure Canada.

In 1923 the American Farm Bureau Federation, the Pennsylvania Farm Bureau, Illinois Agricultural Association and others appealed to the Tariff Commission for relief from this tariff.

Our tariff on cattle is a direct affront to Canada, that formerly exported some 200,000 head of range cattle annually. Northwestern farmers need these Canadian feeder cattle. The United States as a whole requires 4,500,000 feeders annually. Canadian feeder cattle should carry to Europe the corn and other feed of our Northwest. By the sudden imposition of our Fordney duties Canada was left without a market.

The just wrath of Canadians will not be overcome in many years. Their purchases from us were reduced by $400,000,000 in one year, not from anger only, but mostly because we would not accept, on fair terms, of such of their commodities as we could well use in payment for our goods.

This goes to show that if we are to sell goods to a foreign country we must buy goods in return. I quote further:

A destructive phase of this tariff, intended to be protective, is seen in the recent diversion of Canada's surplus cattle from the United States to England.

It goes on to say:

We make a mockery of our boast that our unguarded Canadian boundary line is imaginary only. We fortified it with worse than guns, with a tariff of distress and ill-will that gave us never a benefit.

Canada errs in attributing this action to the American people. She apparently thinks that our public rules in tariff matters. She does not realize that the Fordney law was enacted by a few over-powerful manufacturers, who betrayed the principle of protection, fooled the people and disregarded the better judgment of many manufacturers who wanted lower duties on their own and other manufactures.

Then I have an article from the Breeders' Gazette by Alvin H. Sanders, one of the plenipotentiaries who was sent over by President Taft to negotiate a treaty of reciprocity with the Canadian government. The heading of this article is, "Boosting the Tariff on Wheat." Mr. Sanders says:

While the action may meet with the approval of wheat growers for the time being, The Gazette questions the wisdom of any move that has for its object any serious restriction of interchange of commodities between Canada and the United States. As a member of the United States Tariff Board some years ago, the writer hereof was a party to the negotiation of a treaty of reciprocity by President Taft between the two governments which was finally approved by our Senate, but ultimately rejected by the Dominion authorities, due, as we recall the facts, largely to Ontario opposition.

Note this—Mr. Sanders says:

The Gazette has always been a believer in reciprocity —the exchanging of customs concessions in the interest of increased interchange of commodities.

Mr. Sanders is a protectionist, yet he believes in a measure of reciprocity with Canada. Recently I have had some correspondence with one of the outstanding breeders of the United States. He wrote me a personal letter in answer to a question I put to him. I will not give the name, though I could give it to anyone who wanted it. He says:

I have no information as to when the United States is likely to admit Canadian cattle free of duty, but I imagine it will be soon as there seems to be developing a shortage of cattle in this country, particularly in the middle west; and I believe the corn belt feeders will be demanding free entry of Canadian cattle soon, in fact some of them are already.

The fact that the government of the United States have raised the tariff walls so high that we can scarcely see over them does not lead to the conclusion that it is of no use to negotiate with them with a view to the securing of better trade relations. I would be one of the last to keep knocking at a neighbour's door or to insist on swapping horses or cattle with him if he did not want to trade with me, but I am convinced that a great many of the people of the United States —indeed, the vast majority—are willing to trade with Canada if they only had the chance. If some of the politics and politicians could be eliminated I believe we would have an opportunity for the establishment of better trade relations with this great neighbour. Prosperity in agriculture can be maintained only by the rearing of live stock, therefore it is essential that good markets be found for our products. If the government succeeds in getting a reduction in the transportation charges overseas and in bringing about a decrease of the American tariff on our feeder cattle, the live stock industry in this country will be given a great impetus, and with the prosperity of agriculture the wheels of industry in eastern Canada will immediately respond with increased revolutions.

I heard it stated in the House that we should not send an ambassador to the United States. It is my view, however, that if we had a good practical man at Washington, a man who knew the needs of Canada and was willing to carry on negotiations in a practical way, it would be to the benefit of both countries. I should very much like to see an ambassador at Washington working in the interests of Canada. True, it would cost some money, but I think I can suggest where the minister could provide the necessary funds. We have in this country a great army of live stock promoters, sheep promoters, and so on. In looking over the Auditor General's report for last year I located at least seventy, and their travelling expenses amounted to about $140,000. This year we had less; in the Auditor General's report I could not find as many as I found last year. These are very splendid men; I have met a great many of them. They are doing their best to show us how to improve our live stock. But that is of no use if we are not provided with a market. The first duty of this government is to help to get us a market, and then if we need the live stock promoters we can take them on. In the meantime we do not need any live stock promoters; if we are assured of a reasonable profit we will do the promoting ourselves. So I suggest to the minister and to the government that if they contemplate appointing a minister at Washington they should give some of these live stock

promoters a holiday without pay and provide the money in that way.

I did not intend to delay the committee so long, but I will close by mentioning just one or two little banquets. I notice in the Auditor General's report for the year ending March 31, 1924, on page 74, an item for a banquet held at the Chateau Laurier, "58 dinners, $116; cigars, $9.50." Then, a banquet was held at the Queen's Hotel, Toronto: "dinners, $200: service and cigars, etc., $30." Now I wish to be as kind as possible in this matter. I do not blame this minister so much or this government, they are simply following in the steps of their predecessors. These expenditures for banquets and dinners have been going on for some years; we have too many of them and it is high time the practice was discontinued. I would ask the minister, therefore, to bear these remarks in mind and to try to curtail his expenses for banquets. I would like him to tell me what he thinks of the desirability of our trying to establish better trade relations with the United States.

Mr. MOTHERWELL: The hon. member has given us a very interesting resumé of the live stock situation. I assure him that I am with him on the question of reciprocity. If everybody who was in favour of it had voted for it we would have had it now—and I am not suggesting that my hon. friend did not vote for it. Had it been dissociated from politics, had we had a plebiscite on it, we would have got it. But that was not the way it went. We had the opportunity but we missed it, and we will have to take the consequences; that is all there is to it. The opportunity may come around again but it does not look very much like it now.

An hon. MEMBER: Try a banquet.

An hon. MEMBER: Try a plebiscite.

Mr. MOTHERWELL: That would not be a bad idea. It would be a "safety first" way anyhow.

With regard to the promotors, we have got one horse promoter in the three prairie provinces, and last year we succeeded in developing a trade, very largely through his activities, of 12,000 horses that were shipped from the prairies to eastern Canada even down as far as the Maritime provinces. This is a case of very marked success as a result of a promoter's activities. The promoter in question is Mr. Wilson, who is located at Calgary. I do not know when he was appointed, he was in the position before I had anything to do with it, but his services have been valuable to the extent that they facilitated that trade last year of those 12,000 horses from the west where they were a perfect drug on the market in some parts.

Now then in the province of Manitoba, from which the hon. member for Portage la Prairie (Mr. Leader) comes, they have been hammering at our door this last year or more asking us to put on another promoter for that province. I believe we should have one too, but in response to the general desire that these expenditures be kept down we have refrained from putting an additional man in that province. As a matter of fact these services are a little bit undermanned; that is the actual situation.

Mr. FORKE: Will the minister explain what he proposes to do in Manitoba? What is the promoter going to promote?

Mr. MOTHERWELL: The promoters are facilitating the sale of horses to buyers in any part of the country where they are in need of them.

Mr. FORKE: Have you any idea what those 12,000 horses brought; would the price realized help to pay for the services of the promoter?

Mr. MOTHERWELL: The chances are that if those horses had not been sold in that way there would not have been any sale for them at all. They were horses that were suitable for the lighter lands down here but were not suitable for the heavy lands in the west. Besides they were getting up in years. A great deal of work has been done in trying to promote the sale of these western horses to Russia, but on account of the high freight rates, the exchange, and the difficulty of getting credits from Russia nothing has yet come of the movement. But we have worked up quite a trade down this way. Now, in regard to the question of banquets I do not want—

Mr. SPENCER: Before the minister gets away from the point—

Mr. MOTHERWELL: I had three points to reply to, and I did not wish my hon. friend the member for Portage la Prairie to imagine that I was ignoring him. Somebody suggested that the precedent set by our predecessors was not a good one to go by. I do not think we should assume that all the acts of our predecessors were wrong and cut them all out. We will conduct these matters along the lines of our predecessors if they are sound; if they are not sound we will depart from them. Take the question of legislating in regard to fruit if you like. I have been reprimanded by

my good friend from Hants (Mr. Martell) today for not consulting the people of his constituency and taking counsel with them. Well, I believe in the principle of consulting every part of the country before you bring down legislation when you are legislating for a country of the size of Canada. We have recognized that principle too by providing, in several of our acts notably the Seed Control Act and several others, for the appointment of advisers, so that the department may be constantly in touch with practical men throughout the country from whom they might obtain guidance and advice.

Now, with respect to this particular banquet it was a banquet to live stock men, in connection with the advanced registration scheme, I think it was, that the hon. member for Victoria (Mr. Tolmie) spoke of the other night, based on a record of performance by dairy cows. We invited them in for a conference on a forward movement along that line. If there is one weak point in our dairying it is the small production of the dairy cow. So we invited the farmers to leave their work and come down to Ottawa, and some of them travelled two thousand miles at their own expense. When we gave them the banquet it saved them that much more on their expense account. I will guarantee that the charge per plate for the banquet was not any more than their dinner would have been at the Chateau, even with the cigars thrown in. There was not any 4.4 stuff there, much less native wine. If that is an evidence of dissipation it comes to about $2 per plate. How many will go to the Chateau—I mean in the proper frame of mind and condition for a good meal--and will get away with less than $2 per plate. Turn a farmer loose in there with the government to foot his bill and see if he will let you off with $2. As a matter of fact it is a saving proposition to have these banquets.

Mr. ROSS (Simcoe): Seeing that the hon. member for Portage la Prairie has brought up the question of the export cattle trade, and the barriers against it, I wish, as a farmer in the province of Ontario, to make a few comments on the importance to the farmers of our province of the export market for cattle. The hon. member for Portage la Prairie has referred to the barriers which keep our cattle out of the market in the country to the south. But we are glad to know that we have at the present time, and have had for the last couple of years, a market across the seas for our export cattle without which the cattle raisers in the province of Ontario would be very badly handicapped. Now, as a matter of fact there is a good demand for our cattle there. They want our cattle in that market, and our cattle are going over there and proving very satisfactory. I think that in the year 1923 the value of the Canadian cattle exported to Britain amounted to fifty-six thousand and some odd hundreds of dollars. In the year 1924 the value of the cattle exported was $80,000.

Mr. MOTHERWELL: That was it.

Mr. ROSS (Simcoe): In order to show you how our cattle are received over there I will read a few extracts from the Commercial Intelligence Journal issued every week by the Department of Trade and Commerce of Canada. In the issue of that publication, dated February 14, last I find the following statements by Mr. G. B. Johnson, Trade Commissioner in Scotland:

> During the past year the shipments of Canadian cattle to Scotland have been fully maintained, but the total numbers are still far short of requirements.

Then further down:

> The cattle were mostly stockers of a good class, weighing from 1,100 pounds to 1,300 pounds live weight landed in Scotland; they have been purchased by farmers in many parts of this country, but the Eastern Counties—Forfarshire, Fifeshire, Perthshire and the Lothians—have taken most of the cattle and have been most prominent in the trade.
>
> The demand for Canadian cattle has greatly improved, owing to the farmers being well satisfied with them, and the prices have been generally higher. The highest price given for Canadian cattle during the year was 67s. per live cwt. of 112 pounds, and the average for the season was 52s. to 58s. per live cwt.
>
> Farmers have found by experience that Canadian cattle are very healthy, free from disease, good feeders, and quick in coming to prime beef.

It seems to me too bad that for over thirty years we were deprived of the British market for our export cattle on the plea that Canadian cattle were not healthy. We now know that that was only a plea. I believe the British people realized that, but as long as they followed the old beaten path in their efforts to have the embargo raised they did not achieve this success. But when they departed from the beaten path in the field to the consuming public the results were satisfactory.

> Farmers have found by experience that Canadian cattle are very healthy, free from disease, good feeders and quick in coming to prime beef. It is almost an unheard-of thing for a farmer to lose a Canadian bullock through illness, and they are now known to be stronger in constitution than most other cattle.

Just one other paragraph:

> The only complaints against Canadian cattle are on account of their age and on account of branded hides. The latter point appears to be in process of elimination, but the matter of the age of cattle is reported to be one that deserves the serious attention of Canadian shippers. The farmers in Scotland want

young cattle, not more than two years old if possible. If this important point is attended to, and a good class of well-graded cattle shipped, there is ample room in Scotland for a great increase in the number of Canadian cattle which can be absorbed.

I read that just to show the market that we have access to across the sea, and the demand there for our cattle, but the one point which I wish to refer to is the restriction that is placed on us when we try to reach that market across the sea. We have before us, and I have read during the last few days, the report of Mr. Preston regarding the Atlantic shipping combine. I was a little surprised a few days ago to know that practically the whole afternoon was taken up in this House in trying to discredit Mr. Preston, intimating, I take it that this report which was brought down would also be discredited. We do not need to rely entirely on the report of Mr. Preston, but let us read the report of the special agricultural committee which reported during the session of 1923. We find there ample evidence that there was at that time—and we believe there is yet—a combine that is hampering our trade across the sea.

I do not wish to dwell longer on this because we know the government in the Speech from the Throne has promised to deal with this matter and I have no doubt they will endeavour to deal with it satisfactorily. I might say here, by way of asking for information, that I am not very clear as to why it should be necessary for us to subsidize an outside company when we have a fleet of government-owned ships of our own. It does not appear to me that the situation is as it should be. However, we will leave that until the discussion comes up in the House. While speaking about restriction by ocean combine, in the matter of ocean rates, I will read an extract to the House. It is not in reference to the effect of the North Atlantic steamship conference. This is another situation that sometimes does and I believe will this year develop, and I may call it the cornering of space for our Canadian cattle. This is in reference to a private individual, and he has apparently successfully cornered the space for the shipment of Canadian cattle. This article appeared in the Toronto Globe under date of January 20, and says in part:

> Not only is it established by information in the hands of the federal officials that Charles Schamburg of New York city has effected a corner in cattle space on the various steamship lines sailing from the ports of Halifax and St. John during the present winter, but it is becoming increasingly evident, according to the same information, that the three principal lines handling Canadian cattle—the Donaldson, the White Star-Dominion and the Canadian Government lines—are making a more or less concerted effort to increase the price for cattle space. The prevailing rate is $20 a space, nominally, but in operation it is more.

I for one thought that the government-owned lines—and I think the average Canadian citizen thought—were to be another facility of transportation, a facility owned by the people, and to be a competing factor to keep down the rates, in order that our produce from this Dominion might reach the overseas markets of the world; but instead of being a competing factor we find that they are in league with the others, and are taking their part in the matter of increasing freight rates. A little further down this article says:

> All the cattle space to Liverpool, Manchester and Glasgow is now held by Mr. Schamburg, and Canadian live stock producers wishing to ship to those ports must do business with his representatives in Canada and at his rates.

I do not know anything about Mr. Schamburg, but from reading the reports, and from perusing the report of the special committee on Agriculture of 1923, I gather that he is a cattle shipper himself; at the same time the impression which I got from this—and I think I am justified in forming the impression—is that he has purchased all the space available, not only for his own use, but also to hold, to force the price up to others who need the space, and that is the feature to which I take exception. If he purchased the space for his own needs, to ship his own cattle across the sea, I would have no objection, and I do not think anybody else would have an objection, but we want to be sure that he purchased the space for that purpose alone and not to prevent others getting it. It is of vital importance to the farmers of Ontario who have access to the British market for their export cattle, and we are looking to this government to see that the restrictions that are placed upon us in regard to ocean rates and the cornering of space on the ships, are not permitted to continue, so that we will not be placed in such a position that we will be in the hands of those who may hamper our trade in this respect.

Mr. SPENCER: The minister in answering a question put by the hon. member for Brandon (Mr. Forke) intimated that the horses sent from the west to eastern Canada were not good working horses, were not fit to work in the west and therefore sent eastward. I should like to correct that impression in this House. I want to say that, as far as I am concerned, the people were very particular in regard to not buying any horse that was not worth while, or any horse which could not be called a good working horse. I should like the minister to give us some idea of what was being paid on the average for

those horses. The House might understand from the statement of the minister that there was a good, thriving business in the horse trade from western Canada, but judging from the figures I have seen, the prices that were being paid for those horses were not equal to the cost of raising them.

Mr. MOTHERWELL: I hope I did not leave the impression that they were the culls from the west. I pointed out that there was a certain class of horse in the west running about 1,200 pounds, which was quite common. These horses were unfitted for the heavy lands of that country, but they were all right for the lighter lands down in Ontario. No doubt some good horses were sent down as well as other kinds.

Mr. SPENCER: Did not the minister refer to the old horses?

Mr. MOTHERWELL: I pointed out that they had been accumulating and had been gradually getting older, the market was so poor. Of course no horse on the market ever does get beyond nine years of age. But speaking more seriously, we did not buy or sell these horses; we merely facilitated the getting together of the buyer and seller and promoted the trade in that way, and I presume the class of animal that was required by the buyer was sold to him, because there was a surplus there, and the buyer could pretty nearly fix his own price. If he wanted a lighter horse, he got it. If he wanted a heavier one and had the money, he got that—whatever he required. The point was that there was a surplus continually getting older, whether they were being used or not.

Mr. THURSTON: Does the minister think there is a scarcity of horses in Ontario? My understanding is that a small number were sold in Ontario?

Mr. MOTHERWELL: Yes.

Mr. THURSTON: Was the reason for giving the assistance that the government thought there was a scarcity of horses in Ontario?

Mr. MOTHERWELL: No, but it was partly that.

Mr. THURSTON: We have a surplus in Ontario as well as in the west.

Mr. MOTHERWELL: Why did they go there then? It must have been because they could secure a cheaper horse.

With regard to ocean rates, I think we had better defer that question until Tuesday when we shall probably have a full discussion. I do not know how the question of space could be regulated. If the hon. member for North Simcoe (Mr. Ross) desired to make sure of some space and was fore-handed enough to secure it, to get a corner on it, to make sure that he would have enough for himself at all events and, if he had any over, that he could dispose of it, I do not know of any law that would prevent him from doing so. The same thing is true on the Great Lakes. The big exporter, it is considered, makes his profit largely by buying an abundance of space in advance as cheaply as he can.

Mr. ROSS (Simcoe): Does he secure that space to resell it?

Mr. MOTHERWELL: I mean if he had not enough goods to fill it. There is no law that I know of against retailing space. At the same time, there is an opening for a great deal of abuse and of putting the small shipper into a corner. I do not know the condition of affairs in Ontario, but the western people who are using space have pools by which they have men looking after their interests and seeing that the small man is not sidetracked. It is pretty nearly imperative these days that farm products be sold in bulk. I might point out that we have a request at the present time for assistance to bring all the potato growers, vegetable growers and fruit growers into one pool for the purpose of promoting the better marketing of these articles. That has been brought into prominence as a result of the investigation under the Combines Act by my colleague the Minister of Labour (Mr. Murdock). Certain undesirable practices have been discovered that render it necessary for the farmers to follow the fruits and vegetables further on towards the ultimate market. Should we not look favourably on a project of that kind? I think we should. As regards the space question, as soon as reports were sent abroad with regard to the cornering of space, my department made diligent inquiries at Montreal, and so far as we could find out, there was no substantial or general abuse of the cornering of space. I think the mercantile marine, with its limited space, was all taken up before some people could secure some who expected to secure it, and they were naturally disappointed. Outside of that and certain other exporters in connection with other liners, the space was largely required for their own activities. If a person had sufficient funds and saw an opportunity of retailing space, he could buy it up, but he would be running a

considerable risk. I think the committee understands that in all the sailings of last year about 30 per cent of the spaces that were available either were not used or had to be knocked down for want of animals to occupy them. Consequently, the man who would buy them all up would run the risk of not being able to fill 30 per cent of the space, and such a risk is not likely to be taken. I understand that our department has had no complaint and we have no complaints now with respect to the shortage of space. There was some talk of shortage of space for the immediate opening of navigation at Montreal. There was a tremendous demand for space for that particular time by people who did not want to feed any longer than that, and the result naturally was a congestion just for that time. Apart from that, there is abundance of space.

Mr. MILLAR: I should like to make a suggestion to the minister with regard to an expenditure at the experimental farm at Indian Head that, I think, would be advantageous. I had intended to make this suggestion under the next item, experimental farms, but since the expenditure would come from this grant, perhaps I may just as well make it now. The minister has made reference to the number of horses that have been shipped east, and there has been some little criticism as to the quality. As regards the Indian Head experimental farm where I think some money could be spent to advantage, I have pointed out to the minister before that raising a large quantity of horses, cattle or of any other stock of a very ordinary type, such as can be found on the surrounding farms, does not seem to be of very much benefit. I doubt if we get full returns for the money expended. It is necessary to keep well ahead of the community in which the farm is situated. At the present time the experimental farm there has a fine herd of pure-bred Clydesdales, females, some of them of a very fine type. Many of them have taken prizes in very good classes at Chicago, Toronto and other large shows. They are, however, very much lacking in having a suitable sire for such an important place. I know that a certain amount of money is allotted to experimental farms, year after year, but I am inclined to think the amount available will not be sufficient to get the animal desired. If the minister would use a part of this vote to assist in getting the right type of animal, he would be well ahead of the other breeders in the community and the farm would then render a real service. I believe the herd there is somewhat in the neighbourhood of a score of female animals and the minister would do well to carry out this suggestion. I have another suggestion to make when we come to the next item, but I trust the minister will see that this suggestion is given consideration. I know that the community would appreciate it if he carried out this suggestion, and if we follow that policy in time, there will not be so much criticism about the poor type of horses we have to sell and to ship out.

Mr. HOEY: I was not altogether satisfied with the minister's reply to the hon. member for Portage la Prairie (Mr. Leader) when the latter referred to the desirability of closer trade relations with the United States as respects cattle. About three weeks ago I was present at the annual convention of the Illinois Agricultural Association held at Champaign-Urbana where there were present about 800 delegates and 400 visitors. I was there for two days and I embraced the opportunity extended to me to interview as many of the delegates as possible, all of whom are representative farmers from that state, in an attempt to find out from them their attitude as regards the entry of Canadian cattle, that is feeder cattle, to the middle west. I did not meet a single delegate who was not in favour of reducing or abolishing the duty. You may say that these men were not frank with me in view of the fact that I had gone down there on their invitation as a Canadian visitor. But in my judgment they were frank with me, because the same delegates who told me that they were in favour of the abolition of the duty on cattle also informed me that they were in favour of an immediate increase in the duty on Canadian butter. If I mistake not, that convention appointed a delegation to go from there to Washington with a demand that the duty on Canadian butter entering the United States be immediately increased. I make this statement in the hope that the minister and the officials of his department are fully aware of the sentiment existing in the middle west at present with regard to the entry of our cattle into the United States. There is nothing at all unselfish in the attitude of those people towards us; they are demanding our cattle to-day because they believe they can make money on the finishing. If the agriculturists are in favour of allowing our cattle in free, surely the consumers in the United States cannot possibly be opposed to their entry. I think we might in this way obtain reciprocity piecemeal. There is a demand in western Canada, as the minister knows, for the entry of Wisconsin dairy cattle free, and I have often wondered whether he could not with

some hope of success enter into negotiations with the powers that be at Washington and come to some agreement whereby they would allow our cattle to enter the United States free if we gave them some concession in return.

Mr. MOTHERWELL: Replying first to the hon. member for Qu'Appelle (Mr. Millar), with regard to the situation at Indian Head, at a great many of our experimental farms we have suitable stallions at the head of the stud. At Indian Head, however, it was not thought necessary to purchase an animal for the reason that there was one in the immediate neighbourhood. But if the condition at Indian Head is as represented I have no doubt the suggestion will be taken into consideration and will be kept in mind in a subsequent year. Saskatchewan Clydesdales have won a reputation not only nationally but internationally as well; that province is reputed to raise the best Clydesdales in Canada.

Mr. FORKE: How would it do to have one at Brandon also?

Mr. MOTHERWELL: I think there is one there.

Mr. FORKE: I never heard of it.

Mr. MOTHERWELL: I know there is one at Windermere and if there is not one at Brandon it must be owing to the fact that there are exceptionally good ones in the neighbourhood.

Mr. FORKE: If there is one we never heard of it.

Mr. MOTHERWELL: With regard to the suggestion of the hon. member (Mr. Hoey) we had ambitions two or three years ago of trying to accomplish what he suggested, that is to say, to bring about a sort of reciprocity piecemeal; and in the estimates of two years ago we provided something like $6,000 of a grant to an organization with headquarters in Calgary, whose primary object was to promote trade relations with the United States in cattle. They had an emissary in the United States and were developing various markets and we felt that we were going as close to securing a market of that kind in that roundabout way as we dared, having regard to ordinary international courtesies which demand that we do not interfere with another country's business. It was just about that time, or prior to that, that Mr. Manning Doherty met with a good deal of criticism in the United Kingdom for pursuing his activities contrary to the orthodox methods. I am not entering into the pros and cons of that matter, but if he got results, most of us, I suppose, are not worrying as to how he obtained them. Any port in a storm is an old saying that sometimes is very appropriate. But there are international courtesies that must be observed; and to take part in any indirect method of trying to get into a market by a side door rather than through the front door is very apt to lead to difficulties. Take, for instance, the preference which was promised on fruit by the British government and which was afterwards retracted. There was a very strong effort made by some of the fruit growers in Canada at that time to have us intervene with the British government and try to induce them to stand by their original plan of a preference for our fruit. Now, that is a very delicate matter and I would point out to my hon. friend that a similar delicacy characterizes this cattle business. As a matter of fact we went as far as we felt we could go and get away with it.

Mr. HOEY: Public opinion may have changed since then.

Mr. MOTHERWELL: Possibly; and I think that it is changing. They will not pursue their present course indefinitely because it seems to me to be a false attitude. It is only a matter of time, when foodstuffs go up sufficiently high and the people in the United States cry for cheaper articles, when there will be access given to our stock. But whether we can get our cattle in by means of these local activities to which I have referred is doubtful, although I tried it, with the dangers I have mentioned apparent on all sides.

Mr. LOVIE: One of the drawbacks in the transportation of cattle from western Canada is the fact that the animals lose condition on the long rail route from Winnipeg to the Atlantic coast. That difficulty could be overcome if the Hudson Bay railway were completed. The Minister of Agriculture (Mr. Motherwell) last year made a trip through the Hudson bay country, although he did not go the whole way, and in an interview published in the Manitoba Free Press in September he was quoted as having said that as soon as he got back to Ottawa and met with his colleagues he would do his very best to see that the railway was finished right up to Port Nelson. Cattle, as we well know, do not lose condition on the ocean trip, but they certainly do on a long rail route, and the thousand miles between Winnipeg and Montreal might be eliminated through the use of Port Nelson. And Port Nelson is just as

near to Liverpool as is Montreal. This, however, is by the way. What I want particularly to refer to is the matter of horse clubs for which $25,000 is being asked. I do not want the minister to run away with the idea that I am opposed to these clubs, for I do not object to federal assistance to horse breeders. I do think, however, that there is need for a little change in the operation of these institutions. Some of the parties feel that they have a grievance in the working of the rules, and this grievance could be obviated if section 6 of the act providing federal assistance, page 13, were eliminated. That section provides that the owner or owners of a stallion shall not belong to a club. I should like to see that provision repealed. Horses are becoming scarce in every part of Canada; indeed, they are becoming scarce throughout the world. There is a scarcity of horses in the eastern provinces, according to the official figures, and in western Canada there will not be many available for shipment. Stallions of high quality certainly are scarce. To get the benefit of federal assistance it is necessary that horse breeders should hire a stallion and at present there are very few that can be hired; they must be purchased outside and brought in. But private individuals cannot afford the risk of purchasing high priced sires. Consequently the businesslike way is for a number of farmers to form a company, put up the necessary cash and select one or two of their number to purchase a good stallion; but simply because they are working in that businesslike manner they are penalized; they get no federal assistance. The Breeders' Gazette of the United States in its issue of January 15 last has the following editorial:

> The majority of the work animals are nine years old or over; many of them being twelve to fifteen years of age. Many farmers are already looking about for pairs of horses or more for next season's work, and finding it difficult to locate the really good type of horse that they have been accustomed to use. The net result of all this is that there is a general feeling among farmers in the cornbelt states east of the Missouri that breeding must be re-established.

The editor continues:

> The most practical method is for ten or twelve men in the community to organize a corporation capitalized at a few thousand dollars in shares of $100 each. The expense of incorporating with the assistance of a friendly lawyer or banker will usually not amount to more than $50. As many shares can be sold as may seem necessary for the purchase of a horse, and the balance of the stock held in the treasury. Fifteen shares sold to fifteen separate farmers will raise $1,500 in cash; and two men of unquestioned integrity, who are good judges of horses, can take the money and go direct to the stable of any dealer or breeder and buy a very good horse, ship him home, and still have a little money left over.

We have associations in this country doing identical work, but they can get no federal assistance for the simple reason that the clause of the act which I have quoted excludes the stallion owner or owners, as the case may be, from belonging to a club. We know that horses are going to be scarce in a year or two, and if we wait until there is an absolute shortage before we begin breeding operations we will find ourselves in trouble.

To-day I endeavoured to obtain from the Live Stock branch figures of the number of horses in Canada, but without success. However, I have the figures given at Toronto on February 12, by the president of the Clydesdale Horse Association. He said:

> While the total shows an increase as compared with 1923, the number of colts and fillies shows a decrease. As compared with 1919 the number of colts and fillies or young stock coming on to supply the annual wastage shows a decrease of 291,100. There is a decrease of over 13,000 in the number of colts and fillies in 1924 as compared with 1923. The number of stallions in Canada shows a decrease of 20,492 since 1919, or nearly 42 per cent. The figures show a decrease of 10,554 the largest decrease in any one year since 1919.
>
> Horses show an increase last year in every province excepting Ontario and New Brunswick as compared with 1923, the decrease in Ontario being around 10,000. The greatest decrease in the number of stallions is in the western provinces, 1,694 in Manitoba, 5,278 in Saskatchewan, and 2,625 in Alberta.

There is a decrease of 18,000,000 horses, mules and asses taking world conditions all over. The question is, what is to be done to encourage farmers to go into the breeding of horses. It is well known that there are many indifferent sires travelling at a very low fee, consequently the high priced stallions have to compete with them unless they are clubbed, and the really good sires are not being used. It must also be borne in mind that the farmers who have been sufficiently well off to purchase high class sires are in many cases quitting the business, and the young men taking their places do not care to invest money in horse breeding. In my district there has been what you may call a horse club, a horse association, or a horse syndicate, going steadily for 25 years, and yet we are finding it very difficult to carry on, simply because we can get no federal assistance. We are doing our utmost to purchase the best sires available. In proof of what I say, allow me to read a cablegram which I received on January 23:

> Can ship genuine good horse rising five years able win international well bred, price five hundred pounds. Cable reply.
>
> James Kilpatrick, Kilmarnock.

I had to turn down that offer because our people felt that they could not afford to put up the money without federal assistance. Last

year we had on the road the grand champion of Brandon in 1919 and yet that stallion in competition with the poorest grade of horses only had a season of 42 mares where he generally had 100. That is going to put our association absolutely out of business, for on account of scarcity we find it next to impossible to hire or club a horse. Besides, there are disadvantages. In hiring a stallion for a season you may not get the same horse the second year, and it is well understood that a sire has got to travel in the district four or five seasons to get the best results. I should like the minister to consider this proposition, for at present those who are doing their level best to purchase good sires co-operatively are being discriminated against as though they were criminals.

Mr. MOTHERWELL: Touching the last point first, I think the remedy for meeting the competition made by the cheaper stallion would be to raise the standard of the pure bred stallions. I understand that Manitoba has a law prohibiting the travelling of any but pure bred animals. Is not that right?

Mr. LOVIE: Yes, but that does not prevent them standing at home.

Mr. MOTHERWELL: That is right, you can hardly prohibit a man keeping any kind of stallion he wants to for his own use at home. I know in the province of Saskatchewan we introduced the principle of a licensed stallion area, with a board to examine the animals that were allowed to travel in those municipalities, and this raised the quality of the stallions immediately. In Manitoba the principle was adopted generally all over the province at the outset, and I think there must be a marked improvement there. You will have to develop a desire on the part of breeders to use the best animals available. With regard to the other objection raised by my hon. friend, that no stallion owner shall belong to a club, the primary object of this regulation is that the club is intended to help, not the stallion owner, but rather the man who has no stallion. If you permitted stallion owners to become members of a horse club, they would be getting the benefit of the use of their own horses and the government's subsidy as well. I am sure my hon. friend must recollect that years ago in the west before the horse club business was organized the owners of stallions used to go all over the country organizing syndicated stallions, and with their natural desire for gain, and with no supervision of the animals, a bunch of farmers would be hoaxed, with the result that when these clubs came in the desire was to help not so much the stallion owner as the man without a stallion in an effort to improve the horse breeding industry. There may be a hardship on some, but speaking generally I think it is a wise provision.

10 p.m.

Mr. LOVIE: What is the difference between twenty farmers hiring a stallion and twenty farmers purchasing a stallion? Why should they be benefactors of the country in the one case and criminals in the other? If the stallions are not to be had here and they go overseas and purchase, why should they be discriminated against? That is the point I wish to make, and the point that the minister has not seen yet.

Mr. MOTHERWELL: We will give that somewhat delicate matter further consideration.

Mr. DOUCET: Is the minister lessening his activities under this vote?

Mr. MOTHERWELL: Where we can make arrangements with the province to take over some of the activities that are essentially associated with production, yes. In the provinces that are not ready for that, we will continue.

Mr. DOUCET: The activities in the matter of cow testing represented an expenditure last year of something over $40,000, and this year they have been taken from the Dairy branch and put under the Live Stock branch; yet the vote is the same this year as last. Have arrangements been made for the inspection of eggs brought into this country?

Mr. MOTHERWELL: Yes. Practically no Chinese eggs have come to Canada via the Pacific coast during the last two or three years, owing to the fact that we have insisted upon inspection. Two carloads of eggs coming from the United States were turned back at the border because they were unfit for human consumption, so that this inspection is very necessary.

Mr. DOUCET: That is certainly a wise precaution, because when you insist upon the inspection of eggs produced locally which have to come into direct competition with imported eggs you are certainly placing a serious handicap upon the Canadian farmer. That condition did exist for a couple of years.

Mr. MOTHERWELL: I think it did exist for a year or two.

Mr. DOUCET: Has any appointment been made to the position of egg inspector for New Brunswick?

Mr. MOTHERWELL: Not recently, I understand.

Mr. DOUCET: Is compensation paid to breeders and farmers whose cattle are slaughtered as a result of tubercular testing?

Mr. MOTHERWELL: Yes, based upon the valuation of the animal as made by the veterinary inspectors. We will come to that very soon under the health of animals vote.

Mr. DOUCET: I am informed that there has been an importation of Chinese eggs this year.

Mr. MOTHERWELL: We have no authority to exclude them if they are sound and comply with our instructions, but we have made our inspection reasonably tight and anything that is not good we do turn back. The bulk of the Chinese eggs that come here are frozen eggs for cooking purposes; they do not go into general consumption. Manufacturers of pastry, cake and the like, made considerable objection when our regulations were tightened up with the consequent exclusion of about half the usual import of Chinese eggs. As they are getting them now in bulk, frozen, their requirements are met and there is very little interference with our own egg trade.

Mr. DOUCET: I suggest that the department tighten up again and keep out the other half.

Mr. MOTHERWELL: We will consider that.

Mr. DOUCET: It is unfair that the Canadian product should be placed in direct competition with the Chinese product.

Mr. MOTHERWELL: There is very little of the Chinese product coming in now. The Department of Agriculture does not control the financial policy of the government. If you want real restriction you have to go there rather than to my particular department.

Mr. DOUCET: I quite understand that, yet the incumbent of the portfolio of agriculture must have something to say in determining the financial policy of the government.

Mr. TOLMIE: Do I understand the minister to say that you can use a stale egg for cooking purposes? Is it possible to use in pastry eggs that are unfit for food when used in any other manner?

Mr. MOTHERWELL: I am sure my hon. friend has often heard the expression, "Well, it is not just up to the mark but it is all right for cooking purposes." I would not like to say just where the line is. There is a certain staleness that makes an egg objectionable for eating either boiled or fried, but which still permits it to be used in pastry or for cooking purposes.

Mr. TOLMIE: The minister cannot explain how it is that a stale egg may be all right for cooking when it cannot be used for anything else.

Mr. MOTHERWELL: I suppose it is spiced up with all sorts of niceties to disguise it—that may be the reason.

Mr. TOLMIE: The addition of the spices would hide the real flavour of the egg?

Mr. MOTHERWELL: The egg would be there to do the lightening and the spice to give it taste.

Mr. DOUCET: Have steps been taken by the department to place an embargo on poultry coming from the United States?

Mr. MOTHERWELL: A disease known as European fowl plague has struck the poultry of ten or twelve of the states, and the United States government have themselves quarantined all these states. We have put an embargo against the states that they themselves have quarantined, and that embargo is still on.

Mr. LUCAS: In connection with the list of items the minister read out this evening I notice an item of $140,000 for the purchase of bulls?

Mr. MOTHERWELL: Yes.

Mr. LUCAS: That is in connection with the cattle clubs?

Mr. MOTHERWELL: Yes.

Mr. LUCAS: Will the minister say what system is followed in the purchase of these animals?

Mr. MOTHERWELL: Years ago they used to be bought from individuals but that policy has been, I think, entirely abandoned, and now they are usually bought at the bull sales that are held periodically in each of the provinces. A member of the department goes there and competes with other buyers at the sales. All these animals have a certificate of freedom from T. B. before they are allowed to go into the sale at all, so the department is quite protected in that respect. We enter into competition with the ordinary buyer, but we buy the bull not the owner.

Mr. LUCAS: Is that system strictly adhered to at the present time?

Mr. MOTHERWELL: Almost entirely. There may be a very rare exception to it, but we find the policy of attending these bull sales so much more satisfactory that we have adopted it generally.

Mr. LUCAS: I should like to commend the minister for carrying out that policy of buying by auction at any rate. I know personally of cattle clubs that have received bulls from the department that have been a disgrace for any farmer to have on his place; and a very strong feeling has been manifested on the part of a number of our breeders because certain pure bred cattle, of inferior grades that could not be sold on the open market have been peddled off on the government. I know that has been the case through the experience of some of these cattle clubs who applied for these bulls and received them, but simply had to turn them back again. Where such a large expenditure of money is made for the purpose of raising the standard of our cattle I would urge upon the minister that the very greatest care be taken in any purchase so as to procure only the very best types of animals. This sum of $140,000 which is to be devoted to the production of improved live stock is, as I have already said, a very large amount, whereas only $7,000 is being voted for the encouragement of co-operative marketing. I believe it was the hon. member for Portage la Prairie (Mr. Leader) who said to-night that if the farmers of this country could get a fair remuneration for their products they would do a great deal of the necessary promoting themselves. One of the greatest difficulties experienced up to the present time is the obstacles to the proper marketing of our products; and I think if the government would give a lead now and encourage the farmers to start this movement themselves it would have the most beneficial results. In the province of Alberta at the present time we are trying to adopt co-operative marketing in the case of all our farm products. I think in the past we have been looking more to governments to do a lot of these things which should have been undertaken and carried out by ourselves.

Mr. MOTHERWELL: I think that is right.

Mr. LUCAS: At the same time it is the duty of the government to remove the obstacles that lie in the way and to extend any encouragement they possibly can. I trust that the minister will see to it that a greater amount will be apportioned for encouraging the development of co-operative marketing of the farm products of this country.

Mr. BRETHEN: There is a feature of the live stock question, particularly as regards poultry, that I should like to draw to the attention of the minister, and that is the importation of baby chicks from the United States due, I believe, to a recent ruling of the Post Office Department by which these birds can come in by parcel post. The columns of every Canadian agricultural paper were flooded during the past season with advertisements from large American poultry hatcheries, with the result that hundreds of thousands of baby chicks were brought into Canada. I believe these birds have been brought in to the detriment of the Canadian poultry industry. At the experimental farm we have a record of performance in order to raise the standard of the production of the Canadian hen. I believe that work is carried on at great expense and for a worthy purpose. The Ontario government is doing work along similar lines, and I believe they have accomplished very beneficial results in raising the standard of production. Under the circumstances why should all this work, or a great deal of it, be lost by the introduction of inferior chicks from the United States? In view of the price at which these birds are offered I believe they have no records of production behind them—they are simply ordinary chicks. I do not think we can afford to go on spending money year after year building up the standard of our Canadian live stock and then, with respect to one particular branch of it, nullify the whole work in one single season. I think there must be something done to find a remedy, either by a working arrangement with the Post Office Department or by some other method.

Mr. MOTHERWELL: The embargo that I spoke of with respect to disease will keep them out from all but a dozen of the American states, for the present year anyhow, but I have a question to ask my hon. friend. I am sure there is a lot to be said in behalf of this contention, but I should like to hear him show cause why the man who wants to buy these chicks should be deprived of the opportunity of doing it. Before there is a sale by the United States poultry man there must be a purchaser in this country. He sends an order to the American poultryman that he wants a hundred day-old chicks. Now it is impossible to tell how these chickens are bred; you do not even know what breed they belong to or even what age a great many of

them are. You do not know how they are registered or anything about them except that they are chicks. They may be two or three days old but they are usually called "baby chicks". How could I defend the keeping of them out when there are a lot of people in this country who want to buy them? I am honestly looking for information because I think I should like to see what my hon. friend suggests carried out. Is my hon. friend not afraid there is something like a protective suggestion about his proposition. I am not joking now, I should like to know how to get over the difficulty.

Mr. STEVENS: Oh, you cannot.

Mr. BRETHEN: I am not scared because the minister has introduced the word "protection" in the expectation probably that I would throw up my hands. I think if the minister will look through the record of the Ontario Department of Agriculture he will find all kinds of regulations for saving the farmer from himself. Now, if it is going to ensure Canadian production I do not think it would do any harm to give the Canadian farmer, if necessary, protection from himself. These chicks are shipped over here under a system of camouflage. Hon. gentlemen know very well how it is done. All kinds of criticism has been indulged in with respect to pamphlets that have been scattered abroad to attract immigrants to Canada. That practice has been very strongly condemned here, and I think it has been admitted that it resulted in a great deal of harm. In this case pamphlets are coming in from American poultry hatcheries in order to influence the importation of what I might call "immigrant chickens". Surely there should be a stop put to this practice. The flaming advertisements to which I have alluded are, unfortunately, likely to delude some Canadian farmers, particularly the ordinary farmer who has not very much knowledge of the breeding and records of Canadian hens. I think it would be well, and the department would be able to defend its work in this matter, if it devised some means to prevent it.

Mr. MOTHERWELL: I am almost a convert to my hon. friend's contention, for the simple reason that there is no way of checking that up. Under the Customs Act pure bred animals, or animals used for breeding purposes are let in free. Under that section chicks that profess to be pure bred, although nobody can tell whether they are pure bred or not, are let in free. They are often scrub stuff and do our poultry business no good; and because of the impossibility of checking a chick and ascertaining whether it is what it pretends to be, I believe some minimum valuation should be put upon a chick before it is permitted to come in. I may say that, discussing this matter a few weeks ago with my deputy, we came to the conclusion that the best way to deal with it would be to make some such provision. Possibly we may take action before the session is over. I am informed by my deputy that the conclusion we have arrived at has already been forwarded to the proper quarters, that the minimum value of a chick must be 40 cents before it will be admitted, and that will be some guarantee of its quality.

Mr. GARDINER: Would you apply the Dumping Act there?

Mr. TOLMIE: There is precedent for the action the minister proposes to take. I remember round about the year 1900, or a little before or shortly after that date, there was a great influx of what is known as the broncho horses from the western American ranges into this country. They were valued at $10 a head; some were only valued at $5. The government of that day put a valuation of $50 a head on these bronchos, and compelled them to pay duty on that amount, and that had the effect of keeping out many cheap horses. The same thing might be done to stop the importation of chicks.

Mr. MOTHERWELL: Yes, I recall that incident.

Mr. STEVENS: This is most cheering, delightful and entertaining. Here we have my hon. friend from the great free trade party in Canada a Simon-pure free trader—

An hon. MEMBER: And in a Conservative seat.

Mr. STEVENS: Yes: he dare not utter such words from his own seat for fear he would contaminate the seat and would never be able to go back to it when he returned to his free trade principles. He sits in a Conservative seat and propounds a doctrine of absolute and extreme protection for the Canadian "biddy" which we approve of, and the minister says he is converted.

Mr. MOTHERWELL: And have been for some time.

Mr. STEVENS: We have the splendid endorsement of just what we have been advocating in this House right along, not only for the Canadian "biddy" but for Canadian workmen and manufacturers, for Canadian people and Canadian industries generally. The same principle exactly applies to the great manufacturing industries and great productive in-

dustries of Canada. My hon. friend is absolutely right. Why should we go to expense in Canada giving information, and scientific training to breeders and farmers to improve the standard of our poultry, bringing them from what is commonly known in the calling as boarders up to the standard of producers, just what my hon. friend has been discussing with reference to dairy cows, changing them from a non-profitable standard to a profitable standard, unless we protect them from outside competition? He is going to do this by protecting the Canadian products from competition, from the overproduction or from the massed production south of the line, exactly the same principle as we apply, and seek to apply in this House for our Canadian industries based upon other natural resources, and it is certainly refreshing to have that minister declare publicly his conversion to it and to have the member to my left advocating it. I wonder if the leader of the party to my left will give his views.

Mr. FORKE: Yes.

Mr. STEVENS: I rather apprehend after we have disclosed the enormity of the subject we have been talking about we will see a little pussyfooting, and an effort to walk around gently, and view with Scottish care the departure of one of his lieutenants. But seriously I want to commend my hon. friend for the stand he has taken. It is the proper stand. Let us use the words we mean and not evade the thing and cover it over with specious talk about charging 40 cents for a young hen. Let us understand that we are going to protect the Canadian poultry and put it on a high standard by the process of protection.

Mr. MOTHERWELL: The hon. member is not going to get away with that quite so easily. There is no comparison between the chick and the manufactured article. No living man can tell what a chick is, except that it is a chick, and it comes in under the section of the Customs Act as pure bred stock, but it is not known whether it is pure bred or not.

Mr. MEIGHEN: That would not apply to the old horses my hon. friend spoke about.

Mr. MOTHERWELL: I am not responsible for that.

Mr. MEIGHEN: The minister applauded the statement.

Mr. MOTHERWELL: No, not necessarily.

Mr. MEIGHEN: Oh yes.

Mr. MOTHERWELL: I did not dispute it.

Mr. MEIGHEN: I saw the minister applaud. My heart was cheered.

Mr. MOTHERWELL: There is something to be said on behalf of the old chicks, but it is not so apparent with regard to the low-grade horses, because you can see them. You can see a chick but you do not know what kind of a rooster or hen it is going to develop into. No living man can tell. Therefore it is not on all fours with a developed animal of that kind.

Mr. MEIGHEN: No, it is not on all fours at all—no question about that.

Mr. MOTHERWELL: I knew my hon. friend would find consolation there. I do not object to it. My hon. friends can apply whatever term they like. There is one thing sure; there is an abuse under the pretence that the old chicks are pure bred when they are not. They should come in under the regulation in the Customs Act regarding non pure bred animals.

Mr. LADNER: Would the principle which warrants the minister in protecting the chick that had developed into the rooster or hen apply equally to the protection of eggs?

Mr. MOTHERWELL: No, not quite.

Mr. MEIGHEN: We will get the minister into a protectionist on chicks and old horses and oleomargarine, and that is reasonable progress for one night. I have been looking anxiously around to see where the hon. member for Saskatoon (Mr. Evans) had gone. I can just picture the tears dropping from his eyes as he hears these backsliders in his party talking. Where is he going now? There is not a thing the minister said as to chicks or horses that does not apply to every importation that competes with home production, and if he moves on step by step—and I am told he has that name out west—I believe he may live long enough yet to become a real Canadian, a man who believes in Canadian industry and protection.

Mr. MOTHERWELL: We are not there yet. We have only made the recommendation.

Mr. FORKE: As the hon. member for Vancouver Centre (Mr. Stevens) mentioned my name in connection with this matter, I may say a few words. I could see from the very commencement that the hon. member for East Peterborough (Mr. Brethen) was treading on rather dangerous ground. At the

same time I think I can draw a distinction between protection, as advocated by my hon. friends to the right, and the protection that the hon. member for East Peterborough is wanting in this regard.

Mr. MEIGHEN: What about the protection that my hon. friend advocated at Montreal the other day?

Mr. FORKE: I am unaware that I ever advocated, at Montreal, any protection that I would not advocate in this House.

Mr. MEIGHEN: That speech is a pretty good protectionist speech.

Mr. FORKE: I have never seen a correct report of that speech. Anything I said at Montreal, I am prepared to say in this House or anywhere else in the Dominion of Canada. Our friends to the right are always fond of alluding to this party as a free-trade party. We believe in the principle of free trade. Speaking for myself, personally, I am convinced that absolute free trade is not possible in Canada at the present time, although the principle is perfectly sound. That is what I said at Montreal.

Mr. MEIGHEN: What does the hon. member mean by saying that a principle is sound if he does not apply it?

Mr. FORKE: Protection has been the policy in force in this country for forty years and you cannot put it out of existence in one day.

Mr. MEIGHEN: Why not?

Mr. FORKE: Let me proceed with my statement. I am going to refer to the speech of the hon. member for East Peterborough. He is not asking for protection in regard to competition in price; he wants protection against deterioration of the poultry of Canada. That is an entirely different thing from protection against competition in price from other manufacturers. I am not altogether endorsing all that he said; I want to point out simply the difference between the protection advocated by my hon. friends to the right and the protection that the hon. member for East Peterborough is speaking about. I know my hon. friends are sometimes very anxious to put words into our mouths and to place us in a false position. I can, however, assure hon. gentlemen that we are quite prepared to stand on our principles and to defend ourselves when necessary.

The leader of the opposition referred to my speech at Montreal. I had a letter from a very prominent manufacturer in the city of Montreal the day before yesterday, in which letter he stated that he had entirely lost confidence in the Conservative party in Canada and he hoped that some other friends from the other side of the House would join with some of the Progressive members and form a truly national party that would do something to save this country from the position in which it was.

Mr. MEIGHEN: I have heard that in Montreal too and I have passed my blessing on it. May it take place. I have never stood between my friends to the left and the gentlemen across the floor. Let them get together in the same camp and quit the camouflage, the sham. Let them walk on together and then we shall have a showdown in this Dominion and see what the people of this country want.

Mr. FORKE: The right hon. member used that very same expression "camouflage" last year. I do not know anything about camouflaging. I said not "members on the other side," but "some particular members on the other side" that are not very popular in their own quarters.

Mr. MEIGHEN: Who are they?

Mr. FORKE: Oh, oh.

Mr. STEVENS: That is a principle you must not talk about.

Mr. FORKE: I hope hon. members are getting a little pleasure out of this. I have got it and I hope we have all got it. There is in this House to-night a spirit of good feeling and fellowship that I have not seen for a long time, and we are indebted to the hon. member for East Peterborough for bringing about that state of affairs.

Mr. STEVENS: My hon. friend says that he is prepared to stand on his principles. A moment ago he said that his principle was free trade, but he is not going to practise it. Where is he standing?

Mr. CARROLL: What has this to do with sick cattle?

Mr. STEVENS: It is sick chickens, I think, we are talking about. How is my hon. friend going to protect the Canadian pure bred hen?

Mr. FORKE: I did not say that I would protect it.

Mr. STEVENS: He says that he is going to do this by the process the minister is following that is, by valuating them at forty cents apiece, although he knows quite well—

Mr. FORKE: I rise to a point of order. I deny that I used any such words as the hon. member is putting into my mouth.

Mr. STEVENS: I admit that my hon. friend is very chary about the word "protection". It is, however so difficult to distinguish between his meaning and his words that I find my vocabulary too limited altogether. How is he going to do it? He is going to do it by valuating these chicks at forty cents apiece, which is admitted by the minister—and the minister will not charge me with misstating the facts—is almost if not quite equal to an embargo.

Mr. MOTHERWELL: No. High class chickens are worth that.

Mr. STEVENS: It is intended to keep out the ordinary chicken, is it not?

Mr. MOTHERWELL: Yes, a poor one, but not a good one.

Mr. STEVENS: By putting on a valuation that certainly is not there. Supposing we were to apply that to our principle of protection, that we were to value all goods coming into this country at twice or three times their value to prevent them from coming in, what would our hon. friends say to us? We do not advocate any such extreme protection; but we say frankly that Canadian industry, whether it is the poultry industry, manufacturing industry, woollen industry, or agricultural industry in any of its branches, should be protected against unfair competition from the outside. For the leader of the party to my left to repudiate all idea of protection and talk about principles of free trade, but the impracticability of it, is all nonsense and moonshine. It is about time that we faced in this House the main principles of division in the trade policy of this country. One is a drift towards a freedom of imports, a freedom from import duty on the part of imports, and the other is a sufficient protection to Canadian industry against competition from the outside.

Mr. CAMPBELL: If there is to be any protective policy on baby chicks coming into this country, I want to protest, because frequently I have had occasion to ship in baby chicks and eggs for hatching purposes, and the man who is going to use these chicks should be considered as well. If we are going to protect the Canadian breeders, that is a different question.

There may be something to be said for the policy of protection that is at present being advocated by my hon. friends to the right. One thing that has amazed me for many years in connection with protection is that the real protectionist was always a free trader when the matter was one of farm production. I am glad to see that it is getting on a more logical basis. As a farmer I maintain that if it can be shown to be beneficial, it is perfectly logical for the exponent of the policy of protection to ask for protection on farm products too, although in my opinion the farmer cannot be protected. That is what was done in the United States. The farmers there fought protection for a long time, but they realized that protection was going to be the policy of the country and they demanded a share of the benefits. If protection is going to be the policy of this country, then any benefits that might accrue from that policy should be shared by the farmers as well as others. Therefore, I say that my hon. friends in the new policy that they are advocating to-day are putting it on a more logical basis than it has ever been before.

Since the question of cattle marketing has been interjected into the debate under this item, has the minister had any reason during the last year to consider this question of marketing chilled and frozen beef in the old country?

Mr. MOTHERWELL: No, we have not conducted any more experiments than we reported last year.

Mr. CAMPBELL: I suggested something to the minister last year. I am not sure that I have any concrete proposals, but I should like to impress upon him the necessity of looking into this question a little further. From what study I have given of the subject, I am thoroughly convinced that if we can press it far enough we can eventually establish a very profitable market for chilled and frozen beef in the British Isles. We are discussing cattle rates and we are prepared to enter into an agreement with a company and bonus them to a large extent to carry our cattle overseas. I contend, as I have always done, that that is not a proper trade to build up at all. We were told a few years ago that the British people did not want chilled beef, but the figures disprove that. I have here the report for trade and navigation of the United Kingdom for the calendar year ending December 31, 1924, showing that there was imported into the Old Country for home consumption fresh meat to the extent of 34,969 hundredweights, a very small quantity, whereas in chilled beef we find that the British Isles imported 8,307,276 hundredweights from Uruguay and the Argentine republic as well as from some smaller countries. And classified as frozen meat we find importations amounting to 4,226,000 tons. The total importations of beef including a small amount of salted meat are given as 13,630,000 hundredweights. So that after all

the great volume of the beef consumption of the Old Country, at least of importations—because they have a fresh meat production at home—consists of chilled and frozen beef. A good many people claim that we cannot compete on an equal basis with the Argentine republic, and we have heard it frequently stated also that we are unable to compete with New Zealand in butter. I am not prepared to admit any of that; I contend that we can compete with any of these nations notwithstanding any question of distance or transportation difficulties or anything else. With the price of our land, the quality of the soil and the ability of our farmers to produce we can compete with the Argentine or any other country. But it needs energy and hard work to develop a market. Most of our beef shipped overseas is grain-fed, of a superior quality to the Argentine product. I think the deputy minister is on record as saying that a great deal of our chilled beef is thawed out and sold on the British market as British fresh beef. We get the price of chilled beef for it but it is sold at a large profit by the retailer.

I am not sure that I have any constructive suggestions to offer the minister, but this is something that the department should look into carefully. When we examine these figures and see the enormous quantities of this particular product consumed in the Old Country, and when we reflect that the consumption of this class of beef is increasing rapidly there, we should make some special effort to meet the situation. I am not very sure whether it will ever be practicable to ship live beef into the British market. There are a good many things that may help us; we are trying, for example, to secure a lower ocean rate, and another thing that might help us would be the securing of a reasonable grain rate from Winnipeg to Quebec over the Transcontinental. If we could ship mixed cargoes out of Quebec, including grain and cattle, we could handle the cattle through that port at from $4 to $5 per head cheaper than from Montreal. That is another question which I may discuss at some other time, and although I do not suggest that the minister should carry out any experiment at a loss such as he told us was incurred two years ago, I do think that he ought to examine into this question further and see whether something cannot be done to get us a share of this chilled and frozen beef trade.

Mr. SALES: I am sorry to disagree with my hon. friend (Mr. Campbell), but I do not think he thoroughly understands what he is talking about; when he says that our chilled beef goes over to the Old Country and is thawed out I am sure he does not. Our beef does not need to be thawed out for it is only chilled. When he talks about our competing with the Argentine republic I do not agree with him. The Argentine is a wonderful beef country and we can compete with them only from the standpoint of the shorter distance from Canada to the Old Country. It takes thirty days to bring meat from the Argentine to England and you cannot carry chilled meat that length of time. I contended in this House last year that our geographical position placed us in a favourable position to carry on a chilled meat trade, and I asked the Minister of Trade and Commerce to make the experiment. Where we have fallen down in the past has been in our lack of a regular supply. When I was in the butcher business in the Old Country, if you came with beef from Canada my first question would have been whether I could get a supply of the same quality next week and the week after, and the week after that, so that I could tell my customer who enjoyed his Sunday dinner that I could supply him with the same sort of meat regularly. That is the important thing, and the minister knows that this is the condition with our butter. We have to have a regular supply. I agree that the live meat business is one in regard to which there is not much hope; a great deal of the proceeds is consumed in the rail and ocean rates. I am sure that if the minister would try the experiment I have suggested it would produce satisfactory results. But it must not be spasmodic; it must be carried on week by week for at least six months. The trouble in the past has been that beef going from here chilled was not supplied in a continuous volume; we shipped a quantity this week and shipped none for three weeks. An attempt of that kind certainly cannot succeed.

Mr. CAMPBELL: Perhaps I was wrong in referring to chilled beef having to be thawed out, but in other respects my hon. friend (Mr. Sales), after declaring that he did not agree with me, has endorsed practically every word I said. He pointed out that if we continued the trade long enough we could build it up permanently. Beef from the Argentine must be frozen, and although it may be classified as chilled beef it is in reality partly frozen when it reaches the United Kingdom. Our beef is in refrigeration for about seven days as against twenty-one days or more in the case of the Argentine product, and that puts the Canadian beef in a different class. I would, therefore, take what my hon. friend says as an endorsation of my

remarks, and I believe the minister would be well in his rights in carrying out this experiment. This problem is one that concerns not only the west but eastern Canada as well, and if we build up a profitable trade in chilled and frozen beef we do not need to worry about ocean rates; that question will solve itself.

Mr. MOTHERWELL: Having lost so much money on the first shipment we did not feel that we had more money to throw away on the experiment, particularly when we knew that one of the packing companies sent about one hundred consecutive shipments extending over a year and lost money on all with the exception of two on which they broke even and two on which they made a profit. I simply wanted to check up the abattoirs to see whether our figures would correspond with theirs, and they tallied exactly. In the light of their continuous losses for over a year in about a hundred shipments, and our pronounced loss in the one shipment we made, I have not much hope of success even if we observe the conditions suggested by the hon. member, (Mr. Sales). Before you can get the best results you must have a continuous supply of acceptable meat from week to week, so that when the customers get used to it they will buy it regularly. But even with that advantage the abattoir people, with the four exceptions I have indicated out of one hundred, have lost money. In the light of that I did not feel justified in taking more chances of losing money at the present time. I would have no objection to trying it out again if the committee, particularly those members closely interested in the live stock industry, consider it to be worth while. But is it wise to do so when we are almost certain to lose out? I am very glad we conducted the experiment, because it gave us first hand information and removed the suspicion entertained by some that the abattoir experiment was not quite bona fide. To-day I believe it was.

Mr. SALES: Has the minister studied the figures of the experiment carried on by the Harris Abattoir Company?

Mr. MOTHERWELL: Yes.

Mr. SALES: I did not know that we would reach this item of chilled meat to-night. I have the figures submitted to me by Mr. McLean, of the Harris Abattoir Company, and it is apparent that the shipments were a long way from being regular, in fact they were most emphatically what might be termed spasmodic. Any experiment so carried on is bound to fail. If the minister will look up the figures I think he will find my assertion is correct.

Mr. GOULD: Would the minister advise the committee whether it is not a fact that the people of the Argentine, our greatest competitors, own their ranches, their lines of steamships, and their retail shops all over Great Britain? I think that is perhaps the idea in the minds of hon. gentlemen here when they talk of the proposed experiment. I do not think the Harris Abattoir Company conducted their experiment in that way. I make the suggestion—I believe it has been made before—that if the minister established a couple of retail stores in the larger cities of Great Britain and guaranteed shipments regularly, a trade could be established in chilled meat. It seems to me it is a very opportune time, particularly when we have in prospect a line of steamships to carry over our stuff at reduced rates. I dissociate myself from the protectionist remarks voiced by the hon. member for Mackenzie (Mr. Campbell). While he does not believe in protection for the farmer, yet he gives a mild endorsation to the principle.

Mr. CAMPBELL: The hon. member for Assiniboia (Mr. Gould) misunderstood me entirely; I did not advocate protection at all.

Mr. GOULD: I would point out, Mr. Chairman, that if the farmer were given protection in any particular, it would be used as an excuse by the protected interests to ask for increased protection, so that in the long run the percentage of protection to the farmer would be nil; consequently we would be losers in the end. I would bring the protected interests down to our footing rather than attempt to reach their level, because they have the whip hand.

Mr. CAMPBELL: I understand that officials of the Harris Abattoir Company expressed the opinion that if they had been able to carry on the experiment long enough with a regular flow of products to the retailers the trade in the end would have been quite profitable. I have that second hand, but I think I am quite safe in stating it as authentic.

Mr. TOLMIE: Mr. Chairman, we have had a very interesting discussion all afternoon and evening on perhaps one of the most important items in the whole of the minister's estimates. We have in this group a number of members who take a very keen interest in live stock matters, but they have been compelled to leave for Toronto and other parts of Ontario and also for Quebec.

Under those conditions I would ask the minister to be good enought to allow this vote to stand, in order to afford those absent an opportunity to take part in the discussion on Monday, or whenever he brings up his estimates again.

Mr. MOTHERWELL: Mr. Chairman, it is awfully hard to resist so reasonable a request asked in such a gentlemanly way, but the Prime Minister intimated that he would like to see this item go through to-night. I remember last session quite well that in the softness of my heart I acceded to a similar request, on the dairying vote, but that vote remained untouched until towards the end of the session, when it went through with a rush. I wonder if my hon. friend could press his request less courteously so I would have some excuse for refusing it?

Mr. BROWN: Mr. Chairman, I have a great deal of sympathy with what was said earlier in the discussion this afternoon about some of us being compelled to listen to explanations over and over again. We on this side of the House have spent a long time upon this item, and if it has got to be passed why should we not pass it now? If the request is acceded to we will have to come back on Monday and listen over and over again to the explanations made to-day.

Mr. MOTHERWELL: That is what I am afraid of.

Mr. BROWN: Many of us come long distances and spend a great deal of time in the House, and yet often our time is sacrificed for the convenience of hon. members who can go to their homes over the week end. I do not think we should be asked to sacrifice any more of our time on their account.

Mr. STEVENS: Let me point out to the minister that we have passed several items this afternoon, and this one under discussion is a very large and a very important item. Let me also remind my hon. friend who has just taken his seat (Mr. Brown) that I do not recall a day last session or this 11 p.m. when there has been more of what I am warranted in terming intelligent discussion of estimates than there has been to-day. This compliment I pay to my hon. friends to my left very gladly; they knew what they were talking about, and we had a very excellent discussion. As far as we in this section of the House are concerned, outside of a little by-play on the protection issue, very little has been said on this item, and several of our members sat here until half past ten before they left to catch their trains. On Friday nights we usually adjourn even earlier than this. This has been a profitable discussion with not a moment wasted, and we have not by any means touched all the branches included in this item of a million and a quarter, which branches ought to be given consideration. Therefore I think this is a reasonable request, Mr. Chairman, and I am quite certain the minister will accede to it.

Mr. MOTHERWELL: Weli, I imagine that after the rest over Sunday we will simply come at it fresh when we resume next week. The hon. member for South Oxford (Mr. Sutherland) after the week end will be good for another whack at it.

Mr. BROWN: Having made my protest against listening to the same statement over and over again I will withdraw any specific objection I offered.

Mr. MOTHERWELL: My difficulty is to refuse a request made in such a gentlemanly way.

Mr. STEVENS: Do not refuse it.

Mr. CARROLL: Could it not be arranged that on some other item anyone who is out of the House to-night might express his opinions on live stock? I noticed to-night that matters which had no bearing whatever upon live stock were discussed here.

Mr. SALES: Let us go on for another hour.

Mr. MOTHERWELL: We have other live stock items, such as the health of animals vote, under which any fag ends of this discussion that were strictly relevant to live stock could be taken up. Will that suit my hon. friend?

Mr. TOLMIE: I have no serious objections, provided hon. members on this side be given that opportunity, and that the arrangement be clearly understood.

Mr. SALES: Just before we close I would like a little information. I have spoken about duplication of effort on the part of the federal government and the provincial government. At the same summer fair last year I saw the federal government in charge of a live stock exhibition and the provincial government in charge of a live stock exhibition. I would like to know how many bulls were sold under this live stock distribution, what the cost of the bulls was and what the expenses were.

Mr. MOTHERWELL: You mean loaned, not sold?

Mr. SALES: No; I am asking how many were sold and what expenses were incurred—that is, in the live stock promotion and in the distribution of animals.

Mr. MOTHERWELL: We do not sell any of them except the old ones. Altogether something like 1,500 are loaned to the cattle clubs throughout the Dominion Last year alone 301 new ones were loaned. The cost was $42,571, an average of $141 for each animal.

Mr. SALES: The cost of distribution is what I am after.

Mr. MOTHERWELL: That would be difficult to secure; to get the cost per animal would require a good deal of accounting.

Mr. SALES: What was the total cost?

Mr. MOTHERWELL: It is not much, I understand. It consists largely of railway freight.

Mr. SALES: I find that in Saskatchewan alone we have Mr. Byers with a salary of $1,646, a bonus of $54 and an expense account of $2,770. Mr. Byers is a stock promoter. Then there is Mr. Douglas, Mr. Moorehead, Mr. Sully, a stenographer, and Mr. Whiting. The total cost is considerably over $10,000 for our province alone.

Mr. MOTHERWELL: These men are not all engaged in the distribution.

Mr. SALES: All except Mr. Byers, who is a stock promoter, are mentioned in the Auditor General's report as engaged in the live stock distribution. It seems to be a very expensive matter.

Mr. MOTHERWELL: Well, animals will not travel by themselves; you have got to have a chaperon with them of some kind, and it costs money.

Item agreed to.

Progress reported.

On motion of Mr. Béland the House adjourned at 11.10 p.m.

Monday, February 23, 1925

The House met at three o'clock.

REPORT

Second interim report of the commisioner appoointed by the Governor in Council to investigate, under the Combines Investigation Act, 1923, an alleged combine in the distribution of fruits and vegetables.—Hon. Mr. Murdock.

BUSINESS OF THE HOUSE

ASH WEDNESDAY

Hon. H. S. BELAND (Minister of Soldiers' Civil Re-establishment and Health) in the absence of the Prime Minister moved: When this House adjourns on Tuesday, February 24, instant, it stand adjourned until Thursday, February 26, instant.

Motion agreed to.

RAILWAY ACT, 1919, AMENDMENT

Mr. D. F. KELLNER (East Edmonton) moved for leave to introduce Bill No. 8, to amend the Railway Act, 1919.

Sir HENRY DRAYTON: Explain.

Mr. KELLNER: What is known as the open rule mixture now prevails in some sections of the country but not in others. The bill is designed to make it applicable all over the country in the case of mixed cars.

Motion agreed to and bill read the first time.

HOUSE TO SIT ON ASH WEDNESDAY

Right Hon. W. L. MACKENZIE KING (Prime Minister) moved that the House return to the order of Motions.

Motion agreed to.

Mr. MACKENZIE KING: A motion has just been passed that the House adjourn over Ash Wednesday. The government feels that it would be better to proceed with business on that day. I would therefore move that the motion for an adjournment over Ash Wednesday be rescinded.

Mr. DEPUTY SPEAKER: With the unanimous consent of the House.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): I would ask if the consent of the Minister of Justice (Mr. Lapointe) has been obtained to this motion?

Mr. MACKENZIE KING: I may reply that it has.

Mr. GRAHAM: Solidarity of the government.

Mr. MEIGHEN: Is it the intention of the government that the civil service shall work on Wednesday also?

Mr. MACKENZIE KING: It is.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

EXPORTATION OF POWER

Right Hon. Mr. MEIGHEN:

How much power is under permit by the government of Canada for export to the United States in each fiscal year 1921-22, 1922-23, 1923-24, 1924-25, in terms of kilowatt hours and horse-power?

Right Hon. Mr. MACKENZIE KING (for the Minister of Trade and Commerce):

Company	Year	Licensed to Export		
		K.W.	K.W. Hr.	Horse Power
Ontario Power Company of Niagara Falls	1921-22	45,000	394,200,000	60,322
	1922-23	45,000	394,200,000	60,322
	1923-24	45,000	394,200,000	60,322
	1924-25	.....	.....	.....
Electrical Development Co. of Niagara Falls	1921-22	35,000	306,600,000	46,919
	1922-23	35,000	306,600,000	46,919
	1923-24	35,000	306,600,000	46,919
	1924-25	.....	.....	.....
Hydro Electric Power of Ontario. (The two companies above named)	1924-25	80,000	700,800,000	107,241
Canadian Niagara Power Co. of Niagara Falls	1921-22	45,000	394,200,000	60,322
	1922-23	45,000	394,200,000	60,322
	1923-24	45,000	394,200,000	60,322
	1924-25	45,000	394,200,000	60,322
Maine & New Brunswick Power Company	1921-22	2,500	21,900,000	3,351
	1922-23	2,500	21,900,000	3,351
	1923-24	2,500	21,900,000	3,351
	1924-25	2,500	21,900,000	3,351
Ontario & Minnesota Power Company	1921-22	2,611	22,872,360	3,500
	1922-23	2,611	22,872,360	3,500
	1923-24	3,000	26,280,000	4,022
	1924-25	3,000	26,280,000	4,022
Sherbrooke Railway and Power Company	1921-22	100	876,000	134
	1922-23	100	876,000	134
	1923-24	100	876,000	134
	1924-25	100	876,000	134
Western Canada Power Company	1921-22	5,000	43,800,000	6,702
	1922-23	5,000	43,800,000	6,702
	1923-24	10,000	87,600,000	13,404
	1924-25	10,000	87,600,000	13,404
B.C. Electric Railway Company	1921-22	5,000	43,800,000	6,702
	1922-23	5,000	43,800,000	6,702
	1923-24	5,000	43,800,000	6,702
	1924-25	5,000	43,800,000	6,702
Cedar Rapids Mfg. and Power Company	1921-22	75,000	657,000 000	100,537
	1922-23	75,000	657,000,000	100,537
	1923-24	75,000	657,000,000	100,537
	1924-25	75,000	657,000,000	100,537

GOODS VIA UNITED STATES PORTS

Mr. CLARK:

1. Is Customs duty collected by the Canadian government upon goods originating in Canada, shipped via American atlantic ports to Canadian pacific ports?

2. If so, under what authority, statutory or otherwise, is the duty collected?

3. Is customs duty collected by the Canadian government upon goods originating in Canada and shipped through the United States on American roads to Canadian ports?

4. What is the distinction between the circumstances referred to in paragraphs 1 and 3 hereof?

5. How much duty has been collected at Canadian points on goods originating in Canada and shipped via American ports to Canadian ports?

6. Have any rebates of duty been granted to Canadian shippers since January 1, 1922?

7. If rebates referred to in the preceding paragraph hereof have been granted, what are the names, with addresses, of the persons, firms, or corporations, to whom such rebates have been granted, and the amount of the rebate in each individual case?

8. Under what authority are rebates granted?

9. Has the same practice been followed in regard to granting of rebates in each individual case?

10. What are the reasons for granting of rebates in the individual cases hereinbefore referred to?

Hon. Mr. BUREAU:

(1) Yes, except when the goods are forwarded from the port of shipment in Canada under customs supervision via the port of New York and transferred there, under the supervision of a Canadian customs officer and transported therefrom in British registered vessels, under regulations established by order in council.

(2) When goods are otherwise shipped, they are regarded as importations and subject to duty under Canadian customs tariff.

(3) No. When the goods are forwarded under Canadian customs manifests in sealed cars such seals remaining intact until the cars arrive at the frontier port of re-entry in Canada.

(4) In the circumstances in question (1), the goods are not shipped under Canadian customs supervision, whereas they are so shipped in the circumstances in question (3). Regulations have been established by order in council for the shipment of such goods by rail under customs manifests in accordance with the provisions of sub-section (q) of section 286 of the Customs Act, respecting the powers of Governor in Council as follows:—

(q) Prescribing the rule and conditions under which goods imported in bond or duty-paid, and products or manufactures of Canada, may be transported from one port or place in Canada to another port or place therein, over any territory or waters outside the limits of Canada: provided that the goods so transported shall, upon arrival in Canada from any place beyond the limits of Canada, be treated with regard to the liability to, or exemptions from, duty, as if the transportation had taken place entirely within the limits of Canada;

(5) No information available.

(6) Yes.

(7) Morrison Steel and Wire Company, Limited, Vancouver, B.C., duty and sales tax $3,510.52; Compressed Gas Company, Limited, Vancouver, duty $653,62.

(8) By order in council under authority of section 92 of the Consolidated Revenue and Audit Act.

(9) Yes; refunds only authorized by authority of order in council.

(10) As a matter of relief, the parties being unaware at the time of shipment that the goods when so shipped were liable to duty.

CANADIAN RAILWAY DATA

Mr. NEILL:

1. What is the total mileage of railway operated by the (a) Canadian National Railway; (b) Canadian Pacific Railway?
2. In respect to each of the above railways what is the (a) total number of employees of the headquarters staff; (b) total salaries paid to such employees in 1924; (c) average salary of such employees?

Hon. Mr. GRAHAM:

1.

(a) As at December 31, 1924—21,835

(b) As at November 31, 1924—14,025

2. Canadian National.

(a) 2,684.

(b) $5,047,118.

(c) $1,880.

No information as to Canadian Pacific Montreal employees.

CANADIAN NATIONAL RAILWAYS—WIRELESS

Mr. BLACK (Yukon):

1. What Canadian National Railway wireless broadcasting stations have been installed?
2. What has each cost?
3. What has it cost to equip Canadian National Railway passenger cars with wireless?
4. What purpose is the latter equipment proposed to serve other than the amusement of the staff, and some passengers?
5. What revenue has been earned, if any, from each of such wireless stations?
6. In what way is it expected that such wireless installations will produce revenue over expense?

Hon. Mr. GRAHAM:

1. Two; one at Ottawa and one at Moncton.

2. The Ottawa station, $18,253.20, and Moncton, $22,500.

3. Twenty cars have been equipped at a total cost of $10,843.39; average per car, $542.17.

4. Equipment is placed on trains, not for the purpose of entertaining the staff, but to afford information and entertainment for passengers, and thereby attract passenger business to Canadian National lines.

5 and 6. No direct revenue, but the management have ample proof, based upon reports from the Traffic department, that the advertising obtained by the aid of these stations has resulted in increased earnings for the railways. During the month of January, 1925, ten programmes were broadcasted from the Ottawa station. The management received 3,122 telegrams, cards and letters acknowledging the broadcasts, or an average of 312 per concert. The acknowledgments were received from all sections of Canada, practically the entire United States, and Cuba.

The average number of communications received from the station at Moncton is 350. Those are received from the Maritime provinces, Newfoundland, New England states, Quebec and Ontario. In one mail recently, there were received at Moncton fourteen letters from the British Isles acknowledging receipt of the Moncton broadcast, and it is fair to assume that the interest displayed by the recipients of Canadian National Railway broadcasts will result in increased business to the railway.

EGGS, POULTRY AND LIVE STOCK—NEW BRUNSWICK

Mr. DOUCET:

1. How many egg circles has the Live Stock branch organized in the province of New Brunswick?
2. Where are they located?
3. How many poultry clubs have been organized?
4. Where are they situated?

5. How many committees have been organized for co-operation in marketing of sheep and lambs?
6. Where are they located?
7. How many live stock clubs have been so organized?
8. Where are they located?
9. What is the personnel of the Live Stock division branch at Moncton?
10. What are their names and respective salaries?

Hon. Mr. MOTHERWELL:

1. Twenty-one.

2. Kent County—Acadieville, St. Louis, St. Ignace, St. Charles, St. Paul.

Westmoreland County—Havelock, Port Elgin, Chapman's Corner, Melrose, Bayfield, Great Shemogue, Murray Corner, Baie Verte, Barachois and Cape Bald.

Northumberland County—These are federated under the name "Botsford United Farmers' Egg and Poultry Selling Association," Secretary, Carl. C. Allen, Upper Cape, N.B. Rogerville, Miramichi Poultry Association at Newcastle, Neguac.

Gloucester County—Caraquet, St. Isadore, Paquetville, Pokemouche.

In addition to the above, there are now two province-wide organizations, i.e., Poultry Producers of New Brunswick and New Brunswick Poultry Exchange. The Miramichi Poultry Association and the Poultry Producers of New Brunswick are associations for the advancement of poultry interests by way of dissemination of literature, co-operative purchase of incubators, brooder stoves, and other supplies. The New Brunswick Poultry Exchange is for the co-operative sale of eggs and poultry supplied by egg circles (organized for operation this coming egg season).

3. Seventeen.

4. Kent County—Acadieville, St. Louis, St. Ignace, St. Charles.

Westmoreland County—Port Elgin, Chapman's Corner, Melrose Bayfield, Great Shemogue, Murray Corner, Baie Verte, Barachois and Cape Bald. These are Federated under the name "Botsford United Farmers' Egg & Poultry Selling Association," Secretary Carl C. Allen, Upper Cape, N.B.

Northumberland County—Rogerville, Neguac.

Gloucester County—St. Isidore, Paquetville, Pokemouche.

5. Twenty-one.

6. Kent County—Mt. Carmel, St. Ignace & St. Louis, Weldford, St. Paul, Rexton, Richibucto Village.

Northumberland County—Rogerville,.

Gloucester County—Tracadie & St. Isidore, Lameque, Six Roads, Upper Caraquet, Grand Anse, Bathurst & St. Therese, North Tetagouche, Petit Rocher, Belledune.

[Mr. Doucet.]

Restigouche County—Nash Creek, River Charle, St. Quentin.

Westmoreland County—Botsford.

York County—Harvey.

7. Twenty-one.

8. Same as No. 6.

9 & 10.

J. K. King, District Sheep Promoter...	$2,280
G. R. Wilson, District Poultry Promoter..	2,400
A. Goguen, Poultry Promoter..	1,440
E. F. Pineau, Sheep Promoter.... ..	1,680
E. M. McKinnon, Egg Inspector....	1,440
Miss M. Fairweather, Clerk-Stenographer..	960

TAX FREE BONDS

Mr. HODGINS:

What are the names of individuals or corporations holding tax free Dominion bonds to the amount of $10,000 or over, and what amount is held by each such individual or corporation?

Hon. Mr. ROBB:

The department has no information as to the names of individuals or corporations holding tax free bearer Dominion bonds. Information in possession of the department as to registered or fully registered bond holders is confidential.

IMMIGRATION AGENTS

Mr. MILLAR:

1. How many persons have been engaged (other than persons previously employed) by this government, or any department of this government, since it came into office in 1921, for the purpose of serving outside of Canada as immigration agents?
2. What are the names of such persons?
3. What remuneration does each receive?
4. In what country does each serve in promoting immigration?

Hon. Mr. ROBB:

1. Twelve.

2. (a) A. E. May, employed from 27th September, 1922, to 31st August, 1923, at salary rate of $2,400 per annum; (b) G. H. Mooney, employed from 6th July, 1922, to 31st August, 1923, at salary rate of $2,400 per annum; (c) A. E. Peddie, employed from 3rd April, 1922 to 31st March, 1923, at salary rate of $2,400 per annum, (d) John McColl, employed for various periods from August, 1922, to December, 1924, at salary rate of $2,400 per annum; (e) M. Mills, employed from 3rd July, 1922 to 31st August, 1923, at salary rate of $2,400 per annum; (f) Geo. Whittaker, employed from 6th June to 31st August, 1923, at salary rate of $1,920 per annum; (g) J. C. Koehn, employed from 20th July, 1922, to 30th November, 1923, at salary rate of $1,800 per annum; (h) W. M. Ingram,

employed from 20th April, 1922, to 31st May, 1924, at salary rate of $2,400 per annum; the foregoing are not now in the service; (i) Geo. Hornsey, employed at salary rate of $1,920 per annum plus $500 living allowance; (j) D. Lothian, employed at salary rate of $2,040 per annum plus $500 living allowance; (k) Miss A. MacDonald, employed at salary rate of $1,920 per annum plus $500 living allowance; (l) G. A. B. Buchanan, employed at salary rate of $1,920 per annum plus $500 living allowance.

3. See answer to No. 2.

4. (a) and (h) served in the United States; (i) now serving in England; (j) and (k) now serving in Scotland; (l) now serving in Holland.

BOOT AND SHOE FACTORIES, QUEBEC

Mr. BOURASSA:

1. How many boot and shoe factories were there in the province of Quebec, in the years 1920, 1921, 1922, 1923 and 1924?

2. How many of the said factories were there in the district of Quebec during the above mentioned years?

3. How many, in the district of Quebec, failed during above mentioned years, and what were the liabilities of each respectively?

4. How many boot and shoe factories, in the district of Quebec, closed their doors and ceased to carry on business during the years 1920, 1921, 1922, 1923 and 1924?

5. How many people were employed by said factories at the time of these failures?

Right Hon. Mr. MACKENZIE KING (for the Minister of Trade and Commerce):

1. In 1920, 93 establishments; in 1921, 98; in 1922, 100; in 1923, 101. Information for 1924 not yet available.

2. In 1920 there were 36 establishments in the district of Quebec; in 1921, 37; in 1922, 37; in 1923, 35. The district of Quebec includes Quebec city, Ancienne Lorette, Indian Lorette and Loretteville.

3. No information regarding failures.

4. Two establishments in the district of Quebec ceased operations in 1920; 2 in 1921; 4 in 1922; and 2 in 1923.

5. There were 38 persons employed in the establishments which ceased operations in 1922. Similar information cannot be given for 1920, 1921 or 1923 as there were less than three establishments which ceased operations in each of those years.

WHARF AT MATANE

Mr. JONES:

1. What amount was paid for lumber in connection with the construction of a wharf at Matane, in the province of Quebec, during the last fiscal year?

2. What amount was paid for stone in connection with the construction of the same wharf?

3. To whom was the amount paid in each case?

4. Was the lumber and stone purchased by contract?

5. If so, was it let by tender?

Hon. Mr. KING (Kootenay): The following information is in respect to the fiscal year 1923-24:

1. $5,117.63.

2. $672.75.

3. Timber:—

Alphonse Berube	$ 91 96
David Gauthier	128 62
Edmond Marquis	365 15
Simeon Raymond	56 02
George Philibert	629 87
Antoine Blouin	123 33
Francois Belanger	106 72
Jean Baptiste Raymond	34 71
Aime Michaud	67 37
Eugene Harrison	87 54
Michel Thibeault	243 21
Philippe Desjardins	51 85
Napoleon Thibeault	357 66
Chs. Luc Blouin	75 66
Francois McMullen	332 86
Philibert Gauthier	166 08
Napoleon St. Laurent	138 48
Samuel Belanger	18 20
Germain Gagne	182 44
Ferdinand Belanger	56 45
Jean Berube	101 00
Antoine Blouin	61 73
Louis Carrier	133 68
Louis Dionne	357 06
Francois Garon	4 80
Rene Gagne	42 84
Alexandre Joncas	155 82
Adhemar Joncas	387 11
Narcisse Michaud	172 82
Narcisse St. Pierre	24 75
Joseph Boufard	25 41
Charles Tremblay	3 96
William Gagnon	23 94
Louis Lapointe	5 10
J. Paul Cote	37 61
Camille McKinnon	3 90
Capt. P. Piuze	13 49
Philippe Gauthier	10 59
N. Lapierre	4 60
J. O. Roy	8 49
Octave Dionne	11 05
Edmond Levesque	190 87
Alex. Joncas	22 83
	$5,117 63

Stone:—

Odilon Murray	$ 30 75
Michel Philibert	22 50
George Tremblay	47 25
Thomas Fortin	45 75
Johnny Fortin	91 50
Luc Thibeault	180 00
Henri Garon	60 00
Hormidas Murray	55 50

Stone—*Concluded.*

Alfred Garon, fils..	12 00
Chs. Emile Dionne..	127 50
	$ 672 75

4. No.

5. Answered by No. 4.

OLD AGE PENSIONS

Mr. CHURCH:

In view of the special committee's report re old age pensions, is it the intention of the government to introduce legislation this session granting these pensions, or what will be done in the matter?

Right Hon. Mr. MACKENZIE KING: The matter is under consideration.

GRAVES OF CANADIAN SOLDIERS IN FRANCE

Mr. CHURCH:

1. Has the attention of the government been called to the action of the French government in proposing to remove the bodies of two hundred Canadian soldiers buried in the Canadian cemetery at Lieven, near Loos, in France?

2. Is this action not in direct violation of the agreement in existence that no cemetery containing more than forty bodies will be moved, as this cemetery was carefully selected, and what action has been taken by the Government, or the Canadian and British War Graves Commission, to regulate these matters?

3. Has the Canadian government any check in the matter, and are they aware of these removals before they take place, and is the Canadian government consulted in the matter, and what action has or will be taken?

Hon. Mr. MACDONALD:

1. It is presumed that the question refers to Corkscrew British cemetery which contains the graves of some 200 soldiers of whom however only 36 are Canadians.

2. The government is unaware of any such agreement. The permanent establishment of cemeteries is subject to the French law of hygiene and the consent of communal authorities. There has however always been an understanding that cemeteries containing less than forty bodies must be moved.

3. Under agreements with the French and Belgian governments the Imperial War Graves Commission, on which Canada has her own representative, is qualified to act in these matters. Very few removals have been necessary and these have been made only in cases in which the sites for uncontrollable reasons have become definitely unsuitable. In the case in question it is understood that the burials were originally made among the coal mines and that the site is surrounded by railway lines. It became apparent that the graves could not be preserved in proper permanent honour in the original situation. The French authorities have insisted on removal and have refused in this instance to give to the commission a perpetual concession of the site. The new location is in Loos British cemetery which is being made into a very beautiful cemetery where the bodies will rest in peaceful and dignified surroundings. Notification of such removals is given by the commission to relatives direct.

PUBLIC SERVICE EXAMINATIONS

Mr. DOUCET:

1. Have examinations taken place since May 1, 1924, for the following positions: (a) Inspector of Penitentiaries; (b) Immigration Agents

2. If so, what are the names of those who obtained positions by virtue of said examinations and do they speak the two official languages?

Hon. Mr. COPP:

1. (a) Yes.

(b) No. Examinations have been held since May 1, 1924, for Emigration Agents, Grades 1 and 2, in;

1. Great Britain, Ireland and United States.
2. New England States.
3. Hamburg, Germany.

2. (a) Lt. Col. Eric MacDonald. Speaks English only.

(b) I. Appointments have not yet been made to positions in Great Britain, Ireland and United States.

II. Emigration Agents, Grade 2, New England States were G. J. Charette, J. B. Riordon, and L. A. Delorme, all of whom speak the two official languages.

III. No successful candidate was obtained in the Hamburg competition.

EXPORTATION OF CANADIAN GRAINS

Mr. CLARK:

1. What percentage of the total production of Canadian wheat was exported for each year during the past five years

2. What percentage of the total Canadian production of Canadian wheat flour was exported during each year of the past five years?

3. What percentage of the total Canadian production of oats and barley was exported during each of the past five years?

4. What percentage of the total Canadian production of barley was exported during each of the past five years?

5. What percentage of the total Canadian production of rye was exported during each of the past five years?

6. What percentage of the total Canadian production of corn was exported during each of the past five years?

7. What percentage of the total Canadian production of flax was exported during each of the past five years?

8. What percentage of the total Canadian production of buckwheat was exported during each of the past five years?

9. What was the value of the total production of agricultural products in Canada for each of the past five years and what percentage of this total was exported?

10. What quantity of Canadian wheat has been shipped to the United States, in bond, for milling pur-

poses, to be re-exported by U.S. mills during each of the past five years.

11. What quantity of Canadian wheat has been shipped to the United States, in bond, for export through U.S. ports during each of the past five years?

Right Hon. Mr. MACKENZIE KING (for the Minister of Trade and Commerce):

1 to 9.

	Production		Exports		Percentage of Production Exported
	Calendar Years	Quantities	Fiscal Years	Quantities	
		Bushels		Bushels	%
Wheat	1919	193,260,400	1920	77,978,037	40·3
	1920	263,189,300	1921	129,215,157	49·1
	1921	300,858,100	1922	136,489,238	45·4
	1922	399,786,400	1923	215,074,566	53·8
	1923	474,199,000	1924	256,870,237	54·2
		Barrels		Barrels	
Wheat flour	1919	17,842,833	1920	8,863,068	49·7
	1920	13,127,320	1921	6,017,032	45·8
	1921	15,321,759	1922	7,414,282	48·4
	1922	17,787,929	1923	10,227,060	57·5
	1923	19,075,814	1924	11,714,929	61·4
		Bushels		Bushels	
Oats	1919	394,387,000	1920	10,768,872	2·7
	1920	530,709,700	1921	14,321,048	2·7
	1921	426,232,900	1922	36,195,127	8·5
	1922	491,239,000	1923	29,022,347	5·9
	1923	563,997,500	1924	23,348,698	4·1
Barley	1919	56,389,400	1920	14,395,031	25·5
	1920	63,310,550	1921	8,563,553	13·5
	1921	59,709,100	1922	12,580,979	21·1
	1922	71,865,300	1923	14,584,005	20·3
	1923	76,997,800	1924	15,001,492	19·5
Rye	1919	10,207,400	1920	2,113,302	20·7
	1920	11,306,400	1921	3,201,430	28·3
	1921	21,455,260	1922	3,180,502	14·8
	1922	32,373,400	1923	10,129,350	31·3
	1923	23,231,800	1924	6,823,416	29·4
Corn	1919	16,940,500	1920	37,101	0·2
	1920	14,334,800	1921	17,560	0·1
	1921	14,904,000	1922	25,278	0·2
	1922	13,798,000	1923	26,777	0·2
	1923	13,608,000	1924	19,745	0·1
Flax seed	1919	5,472,800	1920	1,127,986	20·6
	1920	7,997,700	1921	1,404,119	17·6
	1921	4,111,800	1922	3,633,513	88·4
	1922	5,008,500	1923	2,495,387	49·8
	1923	7,139,500	1924	2,555,041	35·8
Buckwheat	1919	10,550,800	1920	188,794	1·8
	1920	8,994,700	1921	271,838	3·0
	1921	8,230,100	1922	403,300	4·9
	1922	9,701,200	1923	525,424	5·4
	1923	9,743,700	1924	589,471	6·0
		$		$	
All Agricultural Products ("Field Crops").	1919	1,537,170,100	1920	251,091,651	16·3
	1920	1,455,244,050	1921	376,431,435	25·9
	1921	931,863,670	1922	237,857,046	25·5
	1922	962,293,200	1923	306,228,087	31·8
	1923	899,226,200	1924	320,981,860	35·7

10. There are no Canadian statistics on this matter. Figures issued by the United States Bureau of Foreign and Domestic Commerce are as follows:

Imports of wheat from Canada for milling in bond:—

Period	Bushels
July 1, 1923, to June 30, 1924.....	14,013,312
July 1, 1924, to February 7, 1925..	3,454,000

No further information is available.

11. Exports of Canadian wheat shipped to foreign countries (other than the United States) through the United States:

Fiscal years	Bushels
1920	Not available
1921	49,977,224
1922	83,354,275
1923	132,007,645
1924	119,413,546

DUMPING DUTY ON FRUITS AND VEGETABLES

Mr. STIRLING:

1. What amount of money was collected from brokers, wholesale fruit and vegetable jobbers or commission merchants during the calendar years 1923 and 1924 for dumping duty on fruits and vegetables?
2. What are the names and addresses of the persons or companies from whom dumping duty was collected during this period?
3. What was the date of each payment and the kind and origin of the product upon which the dumping duty was paid?
4. How many and upon what dates were claims made for the repayment of the dumping duties collected?
5. What was the amount of each claim paid?
6. What are the names of the persons or companies making the claims and what was the reason given for the claim in each case?

Hon. Mr. BUREAU:

Statistics of dumping duty collected are not recorded under the different items of the import classification, but only as total amount collected, there is therefore no separate departmental record showing dumping duty collected on fruits and vegetables.

CANADIAN NATIONAL RAILWAYS—SALARIES $10,000 AND OVER

Mr. DOUCET:

1. How many officials of the Canadian National Railways are in receipt of a salary of $10,000 and over per annum?
2. What are their names?

Hon. Mr. GRAHAM: This is a question similar to others asked and which, in the interest of the Canadian National Railway Board, it would not be in the interest of the railway to make public.

Mr. DEPUTY SPEAKER: Dropped.

Sir HENRY DRAYTON: No, answered.

REQUESTS FOR COPYRIGHT LICENSES

Mr. RINFRET:

1. How many requests for license have been received by the Registrar of Copyrights, at Ottawa, for republishing Canadian works, under the provisions of the Act of 1921?
2. By whom have these requests been made, on what dates, and for what works?
3. Were the licenses granted, and to whom, and for what works?

Hon. Mr. LOW:

1. No application for licenses to re-publish works of Canadian authors under the provisions of the Copyright Act, 1921, have been received.

2 and 3. Answered by No. 1.

[Mr. Mackenzie King.]

CANADIAN NATIONAL RAILWAYS—MR. H. H. BREWER

Mr. GARLAND (Bow River):

1. Was Mr. H. H. Brewer, assistant general manager of western lines, Canadian National Railways, superannuated during the past year?
2. If so, for what reason and at what annual retirement allowance.

Hon. Mr. GRAHAM:

1. Yes.
2. (a) On account of ill-health.

(b) Was granted a retiring allowance by the board of directors which, in their judgment, seemed proper.

TRANSFER OF NATURAL RESOURCES TO THE PROVINCES

Mr. CLARK:

1. Has an agreement been arrived at between the Dominion government and the province of Manitoba for the transfer by the former to the latter of certain natural resources within the boundaries of Manitoba, belonging to the Dominion of Canada?
2. Have the people of British Columbia, Nova Scotia, New Brunswick and Prince Edward Island an interest in the natural resources referred to in paragraph one hereof, and, if so, what is the interest of each province herein?
3. Have the provinces of British Columbia, Nova Scotia, New Brunswick and Prince Edward Island been consulted as to the terms upon which said natural resources will be transferred?
4. Has approval been received from any of the last-mentioned provinces to the terms upon which a transfer shall be made, and if so, by whom has such approval been given?

Right Hon. Mr. MACKENZIE KING: The answer to the first question is no. That, I think, will answer the other three questions.

Mr. CLARK:

1. Has an agreement been arrived at between the Dominion government and the province of Saskatchewan for the transfer by the former to the latter of certain natural resources within the boundaries of Saskatchewan, belonging to the Dominion of Canada?
2. Have the people of British Columbia, Nova Scotia, New Brunswick and Prince Edward Island an interest in the natural resources referred to in paragraph one hereof, and, if so, what is the interest of each province herein?
3. Have the provinces of British Columbia, Nova Scotia, New Brunswick and Prince Edward Island been consulted as to the terms upon which said natural resources will be transferred?
4. Has approval been received from any of the last-mentioned provinces to the terms upon which a transfer shall be made, and if so, by whom has such approval been given?

Right Hon. Mr. MACKENZIE KING: The answer to this question is similar to that given to the last question. To the first question the answer is no, and that will answer the other three questions.

Right Hon. Mr. MEIGHEN: I do not know whether the hon. member who placed this question on the order paper is present,

but the answer "No", to the first question does not answer the other three.

Mr. MACKENZIE KING: I assume the other three questions have reference to an agreement having been entered into with the provinces concerned; if there has been no agreement entered into the other questions would appear to be irrelevant.

Mr. MEIGHEN: The irrelevancy is not for the government to decide. It is for the member who has asked the questions.

Mr. MACKENZIE KING: I have no objection to permitting the question to pass as an order for return. That is question 45 I understand.

Mr. MEIGHEN: I was referring to question 44, not to question 45. I had not time to get my eyes down to No. 45.

Mr. MACKENZIE KING: It is the same thing, only it relates to the province of Saskatchewan instead of to Manitoba.

Mr. MEIGHEN: But it is just the last kind of question that should be made an order for return. Let the matter stand until the hon. member returns. The whole four questions might be allowed to stand, and perhaps the hon. gentleman would allow them to be dropped.

Mr. MACKENZIE KING: I was trying to oblige my hon. friend by allowing the question to pass in the form of an order for a return. I still think the answer given to the first question is the correct one—that no agreement has been entered into between the Dominion and the provinces named, therefore the other questions are irrelevant. There is no objection however, to allowing the three questions, 44, 45 and 46 to stand.

Mr. CLARK:

1. Has an agreement been arrived at between the Dominion government and the province of Alberta for the transfer by the former to the latter of certain natural resources within the boundaries of Alberta, belonging to the Dominion of Canada?
2. Have the people of British Columbia, Nova Scotia, New Brunswick and Prince Edward Island an interest in the natural resources referred to in paragraph one hereof, and, if so, what is the interest of each province therein?
3. Have the provinces of British Columbia, Nova Scotia, New Brunswick and Prince Edward Island been consulted as to the terms upon which said natural resources will be transferred?
4. Has approval been received from any of the last mentioned provinces to the terms upon which a transfer shall be made, and if so, by whom has such approval been given?

Questions Nos. 44, 45 and 46 stand.

QUESTIONS PASSED AS ORDERS FOR RETURNS

CANADIAN NATIONAL RAILWAYS—COLONIZATION DEPARTMENT

Mr. WOODSWORTH:

1. What was the cost of maintaining the colonization department of the Canadian National Railways in Europe in the years 1923 and 1924, respectively?
2. What was the size of the staff employed in 1923 and 1924, respectively?
3. What salary was paid to the manager of the colonization department of the Canadian National Railways in Europe in the year 1924?
4. What sum was paid to the manager as expenses, travelling and personal, in addition to this salary?
5. How many lecturers were in the employ of the Canadian National Railways in the winters of 1923 and 1924 in Great Britain, and what salaries were paid to these lecturers?
6. How many families have settled in Canada under the agreement made between the British government and the Canadian National Railways to settle British families on lands owned by the Canadian National Railways in Canada?
7. What expenses were incurred in securing the said families in Britain and settling them in Canada?
8. Is it the intention of the Canadian National Railways to settle any additional families under the said agreement?
9. How much money has been spent by the Canadian National Railways in connection with the scheme to settle British boys under the age of 17 in Canada?
10. How many boys have been brought to Canada by the Canadian National Railways under the said scheme?
11. How much money has the Canadian National Railways spent in Great Britain in connection with its correspondence lecture course on Canadian farming?

RESTIGOUCHE—MADAWASKA—APPOINTMENTS

Mr. JONES:

1. How many persons of the electoral district of Restigouche-Madawaska have obtained employment in the inside service of the civil service, since January 1, 1906?
2. What are their names and date of appointment?

GOVERNMENT TELEGRAPHS—RECEIPTS AND EXPENDITURES

Mr. KENNEDY (Edmonton):

1. What were the revenues from each of the following Dominion government telegraph offices, for each year, 1910 to 1924: Peace River, Waterhole, Dunvegan, Spirit, Sexsmith, Clairmont, Grande Prairie, Beaverlodge?
2. What were the expenditures in connection with each office for the years 1910 to 1924?
3. What salaries have been paid to the operators for the years 1910 to 1924?

MANUFACTURE OF BEER OR LIQUOR

Mr. FANSHER:

1. Are the licenses granted to breweries and distilleries issued annually?
2. How many brewery and distillery licenses were granted or renewed in the province of Ontario in the years 1922, 1923, 1924, and the present year to date?
3. How many of these licenses were granted or renewed without the consent of the Ontario government?

4. Are permits or licenses granted annually to persons in Ontario giving them the right to manufacture beer or liquor to be consumed in their homes?

5. If so, what was the number of such permits or licenses granted or renewed in each constituency in the province of Ontario from January 1, 1924, to December 31, 1924, and during this year to date?

6. How many ships or boats were given clearance papers for Cuba and Mexico, from ports in the province of Ontario in 1924?

7. How many of such ships carried liquor?

PASSENGER TRAFFIC BY PROVINCES

Mr. DECHENE:

1. How many passenger trains were run each week in each province during 1924?

2. What was the average number of passengers on each of these trains per province?

3. What is the average cost per passenger per train per province?

4. What is the average cost of these passenger trains per mile per province?

DOMINION LANDS—TRANSFERS TO ONTARIO AND QUEBEC

Mr. CLARK:

1. Since confederation, how many acres of land belonging to the Dominion of Canada have been transferred to the province of Ontario, and on what dates were transfers made?

2. What consideration was paid by said province of Ontario for said transfers?

3. What was the cost to the Dominion of Canada of administering and developing said lands prior to the date of transfer?

4. Since confederation, how many acres of land, belonging to the Dominion of Canada, have been transferred to the province of Quebec, and on what dates were transfers made?

5. What consideration was paid by said province of Quebec for said transfers?

6. What was the cost to the Dominion of Canada of administering and developing said lands prior to the date of transfer?

7. Were the rights of the other provinces of Canada to compensation reserved when the boundaries of Ontario and Quebec were extended?

NORTHWEST TERRITORIES AND RUPERT'S LAND

Mr. CLARK:

1. On what date and by what authority did the Dominion of Canada acquire the Northwest Territories and Rupert's Land, and at what cost to the Dominion of Canada as a whole?

2. What has been the total cost to the Dominion of Canada as a whole in administering and developing said Northwest Territories and Rupert's Land?

3. What portion of the Northwest Territories and Rupert's Land is still owned by the Dominion of Canada?

4. What portion of the Northwest Territories retained by the Dominion of Canada lies within the confines of each of the provinces of Manitoba, Saskatchewan and Alberta?

5. What has been the total cost to the Dominion of Canada of administering and developing the last-mentioned areas?

6. What portion of the lands referred to in paragraph four have been sold or otherwise disposed of since same were acquired by the Dominion of Canada?

7. What have been the proceeds from (a) sales of said lands mentioned in paragraph four; and (b) revenue derived thereon from all other sources?

[Mr. Fansher.]

RULES OF THE HOUSE

MOTION BY MR. IRVINE FOR SPECIAL COMMITTEE TO CONSIDER REVISION

Mr. WILLIAM IRVINE (East Calgary) moved:

That, in the opinion of this House, a revision of the rules is desirable, and that for this purpose a special committee should be appointed to consider and report upon such revision at this session.

He said: In rising to speak to this resolution may I assure the House that I am in agreement with what I take to be the general consensus of opinion, that in the main the rules and practices of parliament achieve the ends for which they were instituted. Coming to us as they do as the wisdom of long experience, they provide in some way or other for almost every contingency which might conceivably arise in the conduct of public business. Amongst other things they ensure a free discussion; they make for despatch and efficiency in matters of business; they ensure against snap verdicts; and in a very comprehensive way regulate the deliberations of parliament with a degree of speed, efficiency, fairness and harmony which is on the whole very satisfactory. But, in thus paying what I trust is due respect to parliamentary rules, I am not prepared to admit the improbability of improvement. By the very nature of the British constitution which we follow in our Canadian parliament, current necessities are the parents of precedents, and there are times when even parliamentary rules are more honoured in the breach than in the observance. I will give at a later stage of my argument some of these instances in which parliamentary rules seem to work against the best interests of parliament. If it be admitted that there is even a possibility of improving to any extent any rule of parliament, then I contend that the means of making such an improvement should be provided for by the appointment of a committee, such as is proposed in this resolution. In recent years the desirability of revising the rules of parliament and in even going so far as to renovate the whole machinery of government has been apparent both in Canada and Great Britain. The British government in 1917 appointed a committee under the chairmanship of Lord Haldane, which included within the scope of its reference the question of revision of parliamentary rules. It is true the inquiry undertaken by Lord Haldane's committee was very much more comprehensive than is suggested in this resolution, covering as it did the whole governmental institution in all its phases. The reference to that committee was as follows:

To inquire into the responsibilities of the various departments of central executives, and to advise in what manner the exercise and distribution by the government of its functions should be improved.

That parliamentary practice and rules were included in this reference is proved by the fact that in a section of the report of that committee under the heading of Parliamentary Control, recommendations are made regarding alterations in parliamentary practice that would provide for a larger measure of control by parliament, especially in the matter of public expenditure. Then a select committee on procedure of the House in the British parliament in its ninth annual report in 1918 recommended radical departures from present practices, especially in dealing with the estimates in committee of the Whole; but these are not the only instances where inquiries have been made with a view to revising parliamentary rules and procedure. I would draw the attention of the House to the Murray report on the reorganization of the public service of Canada which was made in 1912. This also includes a rather severe criticism of parliamentary practice in some very important particulars. Then in 1919 our Senate appointed a special committee to consider and report on the "possibility of bettering the machinery of government". The scope of that reference, it will be seen also, was very much wider than I am proposing in this resolution, but nevertheless it also includes what I am asking, namely; a consideration of the question of a revision of the rules. The committee of the Senate made use of the report of Lord Haldane's committee of the Murray report, and also made reference to the select standing committee of the British house to which I have referred, and seems to have agreed in the main that the recommendations of these bodies were desirable for Canada. I make reference, Mr. Speaker, to these investigations by committees of the British parliament and of the Canadian Senate to show that the desirability of revising the rules of parliament, is not merely a whim of my own or of some few members of the House.

Not only do these reports that I have mentioned, coming from these committees, indicate the need of modification and alteration in parliamentary practice, but they emphasize the need of improvement in matters much more fundamental. So far, all I think will be prepared to admit that no rules, whether they be parliamentary or any other kind of rules are perfect, so that I will begin by placing my request for a committee on the very lowest basis, which is this, that no rules are perfect, our parliamentary rules are not perfect, and that there is at least a possibility of improving them.

The attention which has been given to the whole question of government and parliamentary control by the aforementioned committees tends to show that a revision of the rules is advisable. I desire to point out some examples which, I hope, will appeal to all members of the House, as they are certainly familiar with the practices to which I will draw their attention. In pointing out some rules of parliament that, in my opinion, could stand revision, I do so without attempting to make any distinction whatever between rules and practices of parliament. If there exists any such distinction, I shall have to leave it to some legal mind to show where that distinction lies. So far as I am able to observe, the rules and the practices of parliament both seem to be one as regards the conduct of the House. The present practices of parliament prohibit to a very large degree parliamentary control over public expenditure. I should like, in this connection, to summarize the Murray report. It says that control of parliament over expenditure is negligible; that the theory of control is very complete, but the practice is of little value. Few, it seems to me, will assert that control of parliament over expenditure is anything more than a formality. It is not a real control. We have, of course, full liberty to criticize expenditures, but we have no control over what they shall be. Mr. Lloyd George, on this question, has something to say which I think is worth quoting. Speaking in the British House of Commons, he says:

I do not think the present methods of parliamentary control are efficient, but that is not a change which has come about through the new administration. I have always thought that the methods of parliamentary control, and I speak here as a fairly old parliamentarian, rather tended to give undue prominence to trivialities—my right hon. friend and I have talked over this matter many a time—and on the other hand that it rather tended to minimise and ignore realities. Whether you can improve upon that I personally have never had any doubt, but I have always thought—I do not know whether I carry anyone with me on this except my hon. friend who sits there—that the French system was a more effective one—the system whereby ministers have to appear before parliamentary committees.

A select committee of the British House framed a questionnaire which they sent out to the leading minds of the nation and they received a reply which would seem to bear out the view of Mr. Lloyd George which I have just quoted. I quote now from the report of that committee:

The replies show, with few exceptions, a consensus of opinion that the present system of parliamentary control over expenditure is inadequate. In that view we concur. Indeed our terms of reference themselves, inviting proposals to render control more effective, in-

dicate that the House is not satisfied with the existing procedure.

How, then, does the present practice in our own parliament affect control of parliament over public expenditure? This brings me to one of the examples of parliamentary practice which I regard as capable of amendment which I want to place before the House. It is a well known practice in this parliament that private members cannot move an increase to an estimate. That is so well established that I need only mention it. Not only can a private member not move an increase to an estimate, but he is not permitted to introduce for discussion a question which involves expenditure. On that matter, I have a rather interesting correspondence between the Clerk of the British House and the Clerk of the Legislature of Manitoba. It appears that there had been some dispute in the Manitoba legislature over this very question. I think, perhaps, I had better read the main parts of the correspondence which passed between the Clerk of the Manitoba Legislature, and the Clerks of the British and Canadian Houses so as to make the point quite clear to the House. This letter was written by the Clerk of the Legislative Assembly, and a copy of it was sent to the Speaker of this House and another copy to the Speaker of the British parliament. The letter reads:

A decision by the Hon. Mr. J. B. Baird, Speaker in this legislature, has been under a good deal of discussion. The matter has now been disposed of, but I have Mr. Speaker's approval of my referring the matter to you with the request that you could look it over and be good enough to inform me whether or not in your opinion his decision was in accordance with British parliamentary practice.

The circumstances are these: A special committee had been appointed by the House to inquire into and report upon conditions relating to unemployment. The committee brought in a report which is contained at length on page 2 of Votes and Proceedings No. 18, following which is Mr. Speaker's decision and a division of the House upon it.

Subsequently a motion was made that the Speaker's decision and the division sustaining his ruling be expunged from the Journals as contrary to parliamentary practice and this was done. At the time Mr. Speaker made same remarks at length on pages 3 to 7 Votes and Proceedings No. 23.

I would appreciate it if you could spare the time to give me your views on these and as to whether Mr. Speaker's decision is in accordance with the practice in the British Commons.

The reply from the Clerk of this House, at that time Mr. Northrup, was very brief, and the purport of that reply will be gathered from the following sentence:

Unless you by your legislation have altered the procedure the ruling was unimpeachable.

Turning to the reply which came from the Clerk of the House of Commons of Great Britain, I shall have to quote it a little more fully because he goes into the matter very carefully. He said:

[Mr. Irvine.]

In connection with this principle perhaps I may direct your attention to the account given in May's Parliamentary Practice 9th edition page 652 of the petition of Messrs. Fourdrinier. The passage is as follows:

Reports recommended by the Crown

"So strictly has this principle been enforced, that the House has even refused to receive a report from a select committee, suggesting an advance of money, because it had not been recommended by the Crown. On the 15th June 1837, notice was taken that a report on the petition of Messrs. Fourdrinier 'contained a recommendation for public compensation for losses incurred by the patentees, and that the same has not been recommended by the Crown' and the report was recommitted in order to remove this informality. Such an objection to a report would seem to have been premature, as no motion had been founded upon it, and none could have been made unless recommended by the Crown: but it proceeded upon the same principle as that observed in regard to petitions, and is a good example of the strictness with which the rule has been enforced. In several cases, committees have escaped from an infringement of the rule, by a more guarded phraseology; and of late years, a less strict interpretation of the rule has prevailed."

I have quoted this passage at length as the case referred to would seem to support the view taken by Mr. Speaker Baird, but the comments of Sir T. Erskine May show that a less strict rule obtained even in his day.

The select committee on East Indian Finance in 1873 made a recommendation to the House that a sum of £10,000 should be devoted to the payment of the expenses of native witnesses to be called before them, while the committee on House of Commons Ventilation also advocated specific expenditure. The present practice is stated in May 12th edition page 437 as follows:

Select committees are able to consider and to report to the House resolutions recommending an outlay of public money for the purposes therein specified, without the previous signification of the royal recommendation, because such a resolution is classed among those abstract resolutions by the House in favour of public expenditure, which are in the nature of suggestions, and are not in themselves binding upon the action of the House.

These cases would appear to me to show that Mr. Speaker Baird's ruling would not be supported by recent practice in the House of Commons. Considerable latitude is allowed in motions advocating expenditure. The opinion of the House as to the payment of members was taken in 1911 upon a motion declaring the expediency of the payment of a salary of £400 a year to members. This motion was made without the royal recommendation and, when it had been carried, an estimate was presented and a vote agreed to in committee of supply to give effect to it.

The terms of reference to the Select Committee on "Luxury Duty" in session 1918 show how far the House of Commons has been prepared to go in relegating questions of finance to a select committee.

The correspondence which I have just quoted establishes the fact that private members have no power even so much as to move a motion looking to the expenditure of public moneys, but it also indicates that there has been a growing tendency to get away from that restriction. And the fact is that at the present time in the British House of Com- will no doubt appreciate that the committee of the whole as a strictly business institution affords great room for improvement. I see that there is a question on the order paper

dealing specifically with the manner in which estimates are dealt with in this parliament. mons committees are permitted to make recommendations involving financial outlay. The next fact that interferes with the control of parliament over public expenditures is the feeling on the part of the ordinary member that he is not free to move even a reduction of expenditure for the simple reason that such a motion, according to our tradition, is or may be taken by the government as a vote of censure, which might lead even to their resignation and the plunging of the country into a general election. With such momentous results hanging over the head of the private member he is very reluctant indeed to move any reduction unless he happens to be sitting on the opposite side where he wants to make use of such a motion for purposes of propaganda. But certainly if he did move such a motion there is really no likelihood that private members on the government side would hasten to support it, no matter how much they might agree with the policy behind the motion and with the necessity for the reduction in the case concerned. The principle on which it is considered that the motion to reduce an estimate is tantamount to a vote of censure of the government practically renders parliamentary control over public expenditures a farce. To substantiate this I should like to quote from a report of Lord Haldane. What he says will I think bear out the statement I have just made. I submit the following to the consideration of the House:

> But a so-called committee of 670 members cannot effectively consider the details of finance. The time at its disposal is closely restricted. It cannot examine witnesses. It has no information before it but the bulky volume of the estimates themselves, the answers of a minister to questions addressed to him in debate, and such facts as some private member may happen to be in a position to impart. A body so large, so limited in its time, so ill-equipped for inquiry, would be a very imperfect instrument for the control of expenditure even if the discussions in committee of supply were devoted entirely to that end. But those discussions afford the chief, sometimes the only, opportunity in the course of the year for the debate of grievances and of many questions of policy. In the competition for time, those matters, of greater interest and often of greater importance, usually take precedence, and questions of finance are crowded out. And even if all these obstacles are overcome and some rare occasion arises on which the House of Commons discovers and debates a case where a reduction in an estimate appears desirable, and would be disposed to insist upon its view, the present practice, which regards almost every vote of the House as a vote, not only on the merits of the question but for or against the government of the day, renders independence of action impossible.

Let me now refer to the practice of bringing the estimates before a committee of the Whole, which I regard as another instance that affords some opportunity for a desirable change. I do not think it is necessary for me to labour the point at all; hon. members I do not wish to anticipate that resolution, and I am not going to do so; I merely refer to the point at this stage as an instance in which I think it would be of great practical value to bring about some change in the procedure. I suppose there are some business men in this House; I do not profess myself to be a business man or to know very much about business. I do profess, however, to know a little about organization for efficient work, and I question whether any business man in this House would recommend that his own business be conducted in the way we try to do public business here.

As was pointed out by Lord Haldane, it is almost absurd to think of doing public business efficiently in committee of the Whole; it is inefficient by the very nature of the situation. Adequate information on any item could scarcely be expected, and the minister is almost worked to death in trying to answer the questions put to him, many of which no doubt are frequently removed from the item under discussion and are asked chiefly for purposes of political propaganda. In my opinion to bring the estimates before a committee of the whole is not only an inefficient but a useless procedure and a great waste of time. I may be asked: "What would you suggest; have you some panacea to offer for this grievance?" Even if I had one, Mr. Speaker, this is not the time to offer it. I am merely citing an example of a parliamentary practice which might be improved on to the advantage of the conduct of the country's business. But I would say, surely it would be a better procedure if the estimates were allocated to the various standing committees of the House; then you would get fuller information, you would be able to handle the business more efficiently, and you would save a great deal of time, for all these committees could sit concurrently. But as to the merits of that or any other suggestion that might be made at this time is not the point. What I want to make clear is that under our present practice the business of the country is not handled efficiently, and if the House agrees with me in this, I think it would surely be well to take a step towards improving the present practice by adopting this resolution and appointing a special committee to consider and report upon the advisability of a revision of the rules.

I might refer to one or two other rules which do not meet present day conditions. It is well known that only one amendment can be moved to the budget. Hon. members will recall that last session a good deal of conster-

nation was caused when the leader of the Labour party (Mr. Woodsworth) forestalled the leader of the official opposition and moved an amendment to the budget—the only amendment that could be moved. Without debating the advantages which might accrue from a change in that respect, I draw the practice to the attention of the House in the hope that this is another instance where hon. members will agree that a revision might well take place. Surely it will be agreed that the Progressive party, the Labour or any other group has just as good a right as the official opposition to move such an amendment; and I think it will be also generally agreed that the present rule in limiting the amendment in this instance to the official opposition, forbids the fullest expression of opinion.

Then let me take one other illustration, the appointment of committees by the government. The government is always careful to have a large majority of its own supporters on each committee. This practice, of course, arises out of the two-party system, but in my opinion it might very well be dropped. Surely it might be better for the government to leave such committees more or less free from domination, and by so doing it is possible that ideas more favourable to a higher type of legislation might at least be reflected in the recommendations of these committees, even if such recommendations should be killed later by the government party on the floor of the House.

I think I have perhaps drawn the attention of the House to a sufficient number of cases to show the advisability of appointing a committee to inquire into the whole question of the revision of the rules, and I hope that what I have presented in support of my resolution will indicate the nature of the inquiry which I propose. If the House is of the opinion that no change is desirable or possible, then my speech will be at least a protest against its judgment. If, however, it agrees that improvements may be effected in some of our parliamentary practices, this resolution should be adopted and the committee asked for forthwith appointed. Such a committee might not bring immediate results, but by taking this step we would be at least ready to move forward when the proper time came, for the House would be in possession of all the information necessary to deal intelligently with the subject. I trust, Mr. Speaker, that my views will be favourably received by hon. members. No harm can possibly come by a committee of this House going into the question of a revision of the rules. If such a committee should find there is no basis for any alteration, that there is no room for improvement, no harm would be done by the information being placed before the House. I hope, therefore, that this resolution will be adopted and the committee asked for appointed at this session.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, the government has no objection whatever to a committee being appointed to consider a revision of the rules if there appears to be substantial grounds for taking such a step; thus far we have had only the views of my hon. friend from East Calgary (Mr. Irvine) in support of the motion. It would, I think be inadvisable to reach a hasty decision at any rate at this stage of the debate.

Mr. MEIGHEN: Is the government satisfied with the rules as they are?

Mr. MACKENZIE KING: The government feels there is room for revision, but it also feels that the time of the House is precious, and that the appointment of additional committees just for the sake of revision, be it revision of the rules or revision of anything else, is not a wholly wise procedure. If members of the House generally feel there are strong reasons for a committee to consider a revision of the rules, the government will not oppose such a committee, we are hoping, however, this session to avoid as far as possible any unnecessary extension or duplication of work.

Mr. BUREAU: The rules are not the rules of the government, but the rules of the House.

Mr. W. C. GOOD (Brant): I gladly accept the invitation of the Prime Minister to express my views on this question. Ever since I came here I have had a growing conviction that our procedure makes for inefficiency and waste of time in several fairly important respects. I do believe, of course as the hon. member for East Calgary (Mr. Irvine) has so well said, that most of our rules, having been based on long experience, are most excellent; that the worthy objects of freedom of speech, the saving of time, and the prevention of surprises and snap verdicts are very well provided for in the rules as at present existing; but I should like to submit very emphatically to the House that these rules have been built up when conditions were very different from what they are to-day, and very different from what they are likely to be in the near future. We ought to adapt our machinery to existing conditions, and not to conditions that have passed, and the time has arrived now, I think, when a revision of the rules, or at least some of the rules, ought to be undertaken.

Reference has been made to several matters which, in my opinion, are worthy of serious

consideration, and I sincerely hope that the leader of the opposition (Mr. Meighen) will join with those of us who are in favour of the resolution in order that he may be prevented in the future from being caught as he was last year. I think we ought to provide the greatest liberty to all the various groups in this House for the expression of their opinions.

There is another reason why the resolution ought to pass, and I wish to bring that before the House very briefly. There are three resolutions on the order paper which refer either to the work of committees in general, or to the rules of the House. They are No. 2, No. 6, and No. 14. No. 2 is as follows:

That, in the opinion of this House, one full day a week for the whole session should be set aside for private members, on which day notices of motion shall have precedence over other business.

This is a motion which will probably be debated shortly in this House, and it occurs to me that after a preliminary debate here, the subject matter of it might very fittingly be referred to the same committee which, if it is appointed will be charged with the revision of the rules.

No. 6, standing in the name of the hon. member for Macleod (Mr. Coote), refers to the consideration of the estimates, already referred to by the mover of the resolution before us. This is also a matter of a very similar character and might be more particularly inquired into by the special committee which is being asked for.

4 p.m.

No. 14, standing in my name, refers to the size of committees. I have been collecting some information on this point which in due course I propose to submit to the House, and in that case too it seems to me that after a preliminary discussion here the best plan would be to submit the matter to a committee for further investigation.

There are, then, at least three resolutions already on the order paper, in addition to the one now being debated, which might very properly be turned over, after a preliminary discussion in this House, to committees. It would seem to me, then, entirely the part of wisdom that in view of these four different resolutions, which might be all solved in the same way, the government and the official opposition ought to agree with us to have this committee appointed. Let us not be afraid of undertaking a little extra work. Nothing will be done worth while unless we are prepared to do some work and to put in some time here. It may be very nice for us to come down here and sit for a short time and get home again as quickly as we can, but I submit, Mr. Speaker, that the country is going to suffer if that is to be the attitude of hon. members. In that connection I heard a little story the other day which might be worth repeating to the House. I hope it will not give offence to any hon. member. It is the story of a couple, I do not know just where they lived but at all events they were Canadians, and were notorious for their idleness. A friend asked Joe one day how he and his wife managed to put in the time. "Well," he said "sometimes we sits and thinks; sometimes we just sits." I hope, Mr. Speaker, that we shall not be guilty of the last practice in this House.

The Prime Minister has already intimated that the government has no objection provided there is a reasonable demand from this House for the appointment of a committee. I have submitted to the House that there are three other resolutions which, after a preliminary discussion in this House, which will come I dare say in the near future, might be very properly turned over for further inquiry to that same committee. It seems to me, then, that there is every reason why this demand should be acceded to and why the resolution should be passed, and no good reason that has been advanced, at all events so far why the request should not be granted; and I hope that in further response to the Prime Minister's invitation a number of members in various parts of the House will express their views.

Mr. ROBERT FORKE (Brandon): I notice that we have 120 rules in this House, and that the British parliament gets along with 95 rules. I think it is just as well that we do not have too many rules, or rules too binding. That may enable us at times to get over difficulties in regard to procedure. I would not be in favour of having rules invariably strict and binding covering all the proceedings that take place in this House, because that might hamper freedom of speech, and restrain members from taking action that would really be in the interest of the whole country. We want to have the rules of the House broad enough and wide enough to make for the efficient conduct of our business, rather than to restrict the members to rigid rules. While it is no doubt absolutely necessary that we should have rules to guide our procedure in this House, it is undoubtedly true that the rules have a sort of stifling effect upon new members and often prevent them taking action. Many a time they might feel it in the interests of their constituents to speak, but they do not do so just because they are afraid they are not sufficiently well acquainted with the rules of the House.

Two years ago the leader of the Progressives, then the hon. member for Marquette (Mr. Crerar) moved an amendment to the amendment to the budget which was ruled out of order. I think it was very desirable that such a thing should have been allowed, if it was deemed necessary to do it. The hon. member for East Calgary (Mr. Irvine) also referred to the methods followed in criticising the estimates. I do not know whether any rule to improve the present method can be adopted, but I am prepared to say that those now in vogue are very unsatisfactory. I cannot but feel that very often the whole procedure is something in the nature of a farce. It cannot be argued that we do criticise the estimates in any intelligent manner, and I should like to see some improvement inaugurated which would bring about better results.

There is another custom that I should like to see changed and that is the practice under which the government feels bound to look upon it as a motion of want of confidence if any recommendation they bring forward is voted down by the House. I think that practice has a stifling effect upon hon. members on their own side, and that it is possible to have a free expression of opinion, and even an untrammelled vote, without it being construed in any such manner. It is quite a common thing, even upon some very trifling matter to hear the assertion, "If this is rejected we will have to go to the country." As if going to the country were a very trifling matter. It is a serious thing.

Mr. SHEARD: Yes, surely.

Mr. FORKE: I am not at all afraid of any such appeal. I want to tell my hon. friends who are interjecting irrelevant remarks that I am quite ready to go to the country at any time.

Mr. HOCKEN: How would June suit you?

Mr. FORKE: Any time will suit me. Whenever the government is ready I am sure I am equally prepared, so there need be no trouble in that respect; in fact I should like to know as soon as possible what the circumstances are going to be. There need be no compulsion about going to the country as far as I am personally concerned.

Mr. HOCKEN: Hear, hear.

Mr. FORKE: The hon. member says "hear, hear." Probably he feels just as independent and just as happy as I do?

Mr. HOCKEN: Just a little more so.

[Mr. Forke.]

Mr. FORKE: In regard to the question of a majority in the different committees the present system might be justified when there were only two parties in the House. But I am perfectly confident that in the future there are going to be more than two parties—there will be three parties, and perhaps more. I think it is rather too much that the government should have a majority on all the different committees of the House. I think there would be a greater likelihood of obtaining an unprejudiced opinion, one of more benefit to the country, if the different parties in the House were more equally represented in the different committees. I am not going to take up any more time, I merely say that I am prepared to support the resolution of the hon. member for East Calgary.

Mr. A. W. NEILL (Comox-Alberni): The hon. member for Brant (Mr. Good) appears to have overlooked the fact that I also had a resolution on the order paper dealing with the orders. It is No. 22.

Mr. GOOD: I beg your pardon.

Mr. NEILL: It differs in some respects from the present resolution, but possibly it might be combined with that of my hon. friend (Mr. Irvine). The difference consists in this; that while my hon. friend's resolution seeks to refer the matter to a special committee, I am proposing to have a reference to the select committee on Standing Orders. That is the committee, I understand, that is presided over by the hon. member for Shefford (Mr. Boivin). We all know that hon. gentleman's thorough grasp of the rules of the House, and it seems unnecessary that another committee should be appointed. There are plenty of committees already, and the hon. member for Shefford very efficiently presides over the select standing committee which now is the body appointed to deal with such matters.

My resolution deals with the proposed changes in an entirely different aspect from that of the present motion. I do not ask for, nor do I approve of, what I might call the fundamental changes that he suggests; for example, in proposing to allow hon. members in committee of the Whole to move for the increase of a vote. That would produce chaos more or less; it would lead to what is called log-rolling. A section on one side of the House would agree with another section, perhaps on the government side, for an increase of a certain vote. The man on the government side of the House dare not vote against a motion in the interest of his own constituency perhaps, and yet he might be acting contrary to the settled policy of the

government. Whatever administration is in power ought to be in control of the finances of the country; otherwise it would practically be impossible to carry on the government. I think it would be a great mistake to do away with that provision.

The hon. member also spoke about the impossibility of having a resolution of a certain character presented because it would be out of order, inasmuch as it would pledge the government to expenditure of public money. That also, of course, is objectionable for the reason that I have already given. Under the change proposed we should find members of the House who bear no responsibility for Canada's finances, voting for untold expenditures. Besides, the difficulty complained of is not so serious as it would appear to be because it can easily be overcome by asking the government to inquire into or take note of a particular situation. So that there is no hindrance in any sense to a full debate in the House on any given subject.

Another suggestion of the hon. member was that we should do away with the government majority on committees. Well, I do not think the leader of the opposition, or any hon. member who has had any experience in the cabinet, would agree to a suggestion of that kind. A government must have some measure of control over a committee corresponding with the control which it exercises in the House.

Now, turning to my own resolution I propose to deal primarily with three separate conditions, although I have also embodied a general clause. The first one governs the rule under which these regulations are formed and presented. I sent this resolution in to the Clerk early in October, and yet it bears the number 22. I have another one that I sent in in December, and possibly it may never be reached. I quite understand that the Clerk must maintain some order of precedence, and he takes the notices of motion in the order in which he receives them. I do not quarrel with that either; there must be some way of establishing precedence in placing the notices of motion on the order paper. But what I sought to change was the method by which past governments, or the government of the day, arbitrarily say in the House "There will be no more private members' days", which kills all the resolutions then on the order paper. I do not think that is a fair or desirable position. What I suggest as a substitute is of a two-fold character. We know that many of these resolutions are put on the order paper more or less as an expression of opinion, and really are not intended to be taken up. We can easily conceive of a case in which the government itself might have a notice of motion put on the order paper dealing with a matter which they did not want discussed and by the compliance of the member in whose name notice was given it would be passed on every occasion when it was called. In this way it would be possible to prevent that subject being discussed in the House. There is something wrong with rules which make that possible. I do not say this is being invoked to-day by the present government, but it is possible to do it. Now, my suggestion is that the resolutions should be placed on the order paper as they are at present, but that when a motion is called and the member in whose name it stands is not prepared to go on with them, the motion should be dropped from the order paper. That does no injustice to the member concerned; he can give two days' notice and the resolution is restored to the order paper again but at the foot of the list. But it does ensure that a member who puts a resolution on the order paper in a bona fide manner and with the desire to go on with it will have some chance to proceed. Last year I had a resolution on the order paper but it was never reached because batches of these resolutions were called again and again, in some cases as many as six times, and the hon. members in charge of them did not take them up. Then, along about the time when he saw his opportunity was lapsing a member would get up and speak. My suggestion would be that if a member was not prepared to go on with a motion he has given notice of from two to three months, and even as long as four and five months beforehand, he cannot very well complain if his motion is dropped and he has to begin all over again. That would ensure whatever member was ready at least a decent chance to present his resolution. The suggestion I was going to make in that regard is this: Instead of saying that on a certain date all members' days would be cut off I would have it provided that, one month, if you like, or two months, after the opening of the session, no more notices of motion should be accepted. We should then know what to expect; but the motions that were then on the order paper would be afforded one opportunity at least of being dealt with. That would ensure that every motion could be heard; and yet it would not prolong to an extreme degree the period within which those motions could be discussed. I merely throw this out as a suggestion to be discussed by the committee.

I wanted to call attention to the necessity for the other change which is set out in my resolution:

2. Consider the advisability of changing the rules of the House to permit of debate on a motion to accept or reject an amendment made by the Senate to a Bill passed by the House.

I am aware—at least I am informed—that debate is allowed on a question of that kind provided it is what is called an order of the day; that is to say, if a day has elapsed between the time the message has been received from the Senate and the time when it is discussed in this House, then it becomes an order of the day and can be debated by any hon. member. But we well know that the most of these amendments made or rejected by the Senate come into this House in the very closing days of the session, when all rules are practically suspended, and nine times out of ten they never become an order of the day. I have a distinct recollection of a case a couple of years ago when a most important bill dealt with by the House and of great interest to many hon. members was rejected either in whole or in part by the Senate, and it was brought down not as an order of the day but simply as a message, and the minister in charge had the alternative of moving the acceptance or rejection of the amendment, and his speech was the only one allowed; the matter was not open to debate. I think that practice should be changed.

Those are practically all the precise amendments I propose, but I have a clause in my motion which would allow any question in connection with these subjects to be considered. If the government would allow the amalgamation of the resolution of the hon. member for East Calgary (Mr. Irvine) with my motion it might be a settlement of the whole question. Perhaps the hon. member for East Calgary would agree to the matter being referred to the select committee on Standing Orders instead of a special committee.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Possibly the views of all hon. members would be satisfactorily met if the government were agreeable to the appointment of a special committee, associating with the work of that committee his Honour the Speaker of the House. If hon. members are prepared to accept the following amendment, I would be prepared to move:

That the said resolution be amended by striking out the words "a revision of the rules is desirable, and that for this purpose", in line two, and substituting for the words "and report upon such revision at this session" in lines three and four, the words "jointly with Mr. Speaker the desirability of revising the rules of this House and to report to this House this session".

[Mr. ...]

Then the motion would read:

That in the opinion of this House a special committee should be appointed to consider jointly with Mr. Speaker the desirability of revising the rules of this House and to report to this House this session.

It would seem to be appropriate that Mr. Speaker should be a member of any committee that is called upon to consider a revision of the rules.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): It seems rather anomalous that a motion to amend the rules should be moved by an hon. member who in moving it is out of order in violating the rules as they exist. I may take occasion to offer a few remarks on the rules as they are, and on some of the observations that the mover of the main resolution has made, as well as on some observations made by other hon. members.

The last revision of the rules of parliament took place in 1910. I believe that revision was made by a special committee acting with the Speaker of the House of that time. There was a subsequent change of the rules in 1913, but that change was specific and did not involve any general revision. The rules therefore as they stand in substance are of fifteen years' duration, and it would be indeed surprising if in that period of time there were no way in which they could be improved. I am not one of those who feel that our rules are fundamentally wrong or that there is any grave injustice liable to be done to any section of this House on account of any of the main rules, or indeed minor ones, as they exist today. The mover of the motion bases his attack upon the existing state of affairs upon the inability of the third or fourth party in this House to move a sub-amendment in the budget debate; that is, to the motion to go into Ways and Means for the purpose of discussing the budget. This has already received some attention at the hands of parliament. Perhaps I cannot add to what I said at the time it was under discussion before, but I must say, as representing one of the three major parties here, that I have never felt in any discussion disability because of the rule as it exists, and I would deprecate a change in this respect; because a change allowing a second motion on an amendment to Supply, or Ways and Means, will undoubtedly lengthen the session of parliament and cause a loss of time. I do not know really what is going to be gained. It is true that in that special debate the exact position of each of three or four parties cannot be stated in the form of an amendment, only the position of two, the mover of the motion —that is the Finance minister—and whichever party chooses or has the opportunity to ad-

vance its amendment. I presume it would probably be the decision of Mr. Speaker that if the official opposition choose to avail itself of the occasion, it alone should have that privilege. I think only on one occasion in the three years that now have elapsed since this government came into power has the official opposition chosen to avail itself of the occasion. This has meant that other parties have exercised the right. Now last year, when the hon. member for Centre Winnipeg (Mr. Woodsworth) chose to move an amendment, I was favoured with a great deal of sympathy from the press of the country in having been out-manoeuvred by one of the newer members of the House. But I must frankly say that I felt myself wholly unworthy of that sympathy, and that it was unnecessary. There are numerous appropriate occasions when the position of any party in this House on the budget or on any other subject can be stated in the form of a resolution or amendment. The House goes into committee of Supply scores of times each session and on each motion for Supply it is open to any member representing a party, or any member representing only himself, to move such an amendment as he may choose; consequently there is really no disability. There is nothing gained by having them all on the one motion; they can come again. But the opportunities for delay are multiplied if amendments, sub-amendments, substitutional motions, and so forth, are allowed upon a motion for Supply. May I add, that I do not want to take any step—I hope I will be considered as sincere, especially as I am in opposition—I do not want to take any step which gives encouragement to multiplication of groups in this House of Commons. That may be an unpopular assertion, and I will give my special reasons for saying so. I do not think the group system is consonant with the British system of parliamentary government. I know I am powerless to prevent it; I do not pretend to stand at the shore and with a wave of my hand drive back the billows; but I think my influence and that of those who have regard for our institutions should be exerted to the utmost of our power toward this end. I do not think the multiplication of groups is consonant with the British system in any country; I do not believe it has worked successfully at all in France where the British system has been copied; but of all countries in the civilized world where there is embodied in it real peril to the state, none is so conspicuous an example as this Dominion. The group system in this Dominion is almost inevitably certain to become a system of sectional representation. I do not think the liability to sectional representation runs nearly as dangerously in the direction of occupational division as in the direction of geographical division. Speaking at this time I put myself in the judgment of hon. members when I say that after the next general election, this House of Commons, in so far as it is a collection of groups, will, in the main, represent geographical divisions. Here we have a country whose portions are widely separated, consequently, the points of view of whose peoples are widely different. We have a country further separated in its sections than any other country in the world to-day, and I do not exaggerate when I say that group representation on geographical division in this House spells more than difficulty, it spells very grave danger to this Dominion. Consequently, merely to accommodate the situation and to encourage representation by groups is no argument to my mind for amending the rules in this respect.

The hon. member further urges that there should be more latitude in the way of permission to private members to move for the expenditure of money. To this I am wholly and decisively opposed. Were I in the government I certainly would have offered much stronger objection than I have so far heard from any member of this government. I do not believe the confidence of the solid people in the country can be preserved if the right of private members of committees is to be countenanced to come into parliament and put parliament in the position of voting against appropriations here and there when they know that the vote itself does not mean commitment of the government, does not mean commitment of the treasury. It is inherent in our present system of government, if it is to be a success at all, if there is to be anybody at the helm steering the ship of state, that the government and the government alone should initiate expenditure. When I say "initiate expenditure", I mean to take such a step as commits the honour of parliament to that expenditure. You cannot beat the devil around the bush by having a committee come in and declare the moral liability of the nation, to be followed by a hasty motion to accept, with the government thereby finding that parliament has given it a mandate. This simply means the undermining of governmental responsibility. If we are to amend the rules further than we have done, I am certain this is going to result in an impairment of confidence in parliament, and, indeed, in the management of our country generally. I go further. I think the rule as it exists has been interpreted too generous-

ly. In fact, I feel that the interpretation already given goes far to impair the efficacy of the rule, and that accounts for much of the difficulty into which we have been plunging; accounts, indeed, for the general losing of control of the financial policy of this House.

Another argument urged by the hon. member for East Calgary (Mr. Irvine) is this, that there should be, on the part of the House, power to move amendments, especially in the estimates, without involving the fate of the government itself. That power exists. I do not think I differ at all from the viewpoint of the Prime Minister, if I understood correctly his utterance of some months ago, when I say that an adverse vote in committee of this House on any estimate does not involve the fate of the government. If it did, the government would not be here today. I do not find fault that the government chose to ignore the vote. It merely means this, that it put on the government—

Mr. MACKENZIE KING: What was the vote?

Mr. MEIGHEN: A vote of last session. I do not recall at the moment just what it was. It put on the government the consideration of the question whether that vote properly interpreted meant a withdrawal of the confidence of the House of Commons. The government of the country alone must be the judge whether it should so interpret the vote as a want of confidence on the part of the House or as something of minor consequence. This is the function and prerogative of government, and if you attempt in any way to circumscribe it, then you withdraw from government the right to determine when, and when not, it enjoys the confidence of this House.

Mr. HOEY: That was the procedure followed by the Labour government without changing the rules.

Mr. MEIGHEN: The hon. member for Springfield (Mr. Hoey) is quite right. In fact, the Labour government very frequently in the short course of its existence chose to ignore adverse decisions, especially on estimates, and to conclude that it still enjoyed the confidence of the House, and in the course it so pursued, I do not recall that it was subjected to criticism by either section of its opponents in the Commons in England.

Mr. MACKENZIE KING: I think my right hon. friend must have had the Labour government in England in mind when he referred to an adverse vote on estimates. I do not think this government was subjected to any adverse vote.

[Mr. Meighen.]

Mr. MEIGHEN: I am not absolutely positive that it was in estimates, it might have been on something else.

Mr. MACKENZIE KING: I should be pleased if my right hon. friend would give it.

Mr. MEIGHEN: I can locate it. It was last session.

Mr. MACKENZIE KING: I hope he will. I do not think it occurred.

Mr. MEIGHEN: It occurred all right, and I think hon. members of the House remember it as well as I.

Now I come to the suggestion by the hon. member for East Calgary that the rules should be amended so as to provide that the government should not have a majority on all committees of this House. If I were a member of the government I would feel bound to oppose the suggestion, and consequently I could not consistently support it now. I do not want ever to be a party to the withdrawal from any administration of the measure of responsibility that an administration only can carry, and when I do not want to be a party to that, I must be a party to giving the government such rights as will enable it properly to carry that responsibility. Consequently it seems to me right and proper that any administration should have a majority on the committees of this House. What I complain of under present conditions, and I am not sure that it can be remedied, is this. Under the group system as we have it to-day the opposition not only is in a minority but it is almost extinguished in all committees of the House. There is only one opposition; hon. members to my left stand in holy horror at the mere intimation that they are an opposition of the government. So that so far from having nine-twentieths of the membership of a committee we are reduced to three-twentieths, and the government virtually has the other seventeen.

Mr. CALDWELL: What about the want of confidence motion moved by the Progressive party in 1922?

Mr. MEIGHEN: I do not think the Progressive party ever moved anything which this government would interpret as a want of confidence motion.

Mr. CALDWELL: But that motion was an amendment to the budget.

Mr. MEIGHEN: That may be; but even the present Minister of Finance (Mr. Fielding) is authority for the statement that an amendment to the budget is not necessarily a want of confidence motion.

Mr. SPENCER: Does the right hon. gentleman include the Banking committee in that general statement he makes? Did we not find in that instance the government and the official opposition lined up against the rest of the House?

Mr. MEIGHEN: Yes, I would include anything so far as the present situation in this House is concerned. Of course, it sometimes happens that when hon. members opposite me, and hon. members to my left, start out down the same path, with the same catechism and looking to the same goal, hon. members to my left, being still bereft of responsibility, pursue the path on which they set out while hon. members opposite retreat and join our ranks. That has very frequently occurred. But that does not make hon. members to my left the opposition, for they are always quite content that their cousins across the floor shall remain in power. And the last designation that could ever be applied to them would be to call them a section of the opposition. This is a disability under which we suffer by reason of a conjunction of affairs which is in no way creditable to hon. gentlemen opposite.

Mr. FORKE: Is it the duty of an opposition always to oppose?

Mr. MEIGHEN: Always to oppose misgovernment, yes; and that is all we do. Hon. members to my left had an opportunity to become the official opposition and to choose when they would oppose, but memories of the days of old and of gallant battles together prevented their assuming any position of the kind. But what I refer to is a disability which I do not know that it is in the power of the government to cure consistently with that measure of control which appertains to and should be enjoyed by all administrations.

The hon. member for Comox-Alberni (Mr. Neill) takes a much more moderate stand, and in the main I agree with what he says. I do not contend that the rules are perfect in every respect, but it seems to me that there might be an amendment to ensure better expedition at times. The feature of the rules to which the hon. member refers as admitting of judicious amendment is one that might well be considered: that is to say, the presence of a motion standing in the name of a private member precludes the debate of another motion covering the same ground, and consequently it may be used, as I myself am suspicious it has been used, as a means not of ensuring but of preventing debate on that very subject. I hasten, however, to assure hon. members to my left that in respect of my resolution now on the order paper the government has not asked that it be put on to ensure that it shall not be discussed. The hon. member for Comox-Alberni suggests this remedy: First of all, he would prevent a private member's resolution being retained after, I think he said, two months; and secondly, he would have a resolution automatically dropped after it had been twice passed without being debated. I am not sure that either method would appeal to me as the best. The refusal of a private member to take up a resolution on the order paper does not seem to me to be necessary at any stage of the session; I think he should have the right to go on, and if he fails to do so it is his own fault and he should take the consequences of any criticism that might ensue. And the compelling of a resolution to be dropped after being called twice without response would only put the member in this position, that after two days' notice he could put the resolution on the order paper again and then assert all the autocratic power which he exercised before.

Mr. NEILL: But at the foot of the list.

Mr. MEIGHEN: Yes, at the foot of the list, but he would have attained his end. I would suggest this as preferable, namely, that after a resolution had been called once or twice then it could be open to any member of the House, when the same motion was called again, to proceed to discuss it, whether in support or in opposition of the subject. This would prevent its acting by way of estoppel, as otherwise it would do. As respects the amendment. I have no objection to it; but it is not because I have faith in the primary and fundamental proposals of the hon. member for East Calgary that I take that position.

Mr. T. W. BIRD (Nelson): Anyone who takes even a casual look at the architectural structure of this chamber must conclude at once that it was dedicated to the medieval superstition of a two-party government. It is a two-party chamber, and the conception underlying its arrangement arises out of that idea, an idea that dates back to the time when the two parties composing parliament were so destructive to each other's policies and so bitterly opposed that they actually had to have a club lying on the table to keep anything like peace between them. And not only the architecture of the chamber, but the arrangement of its furniture as well, points to the same fact. I think it is a mistake that the arrangements of this House should con-

demn the Prime Minister and the leader of the opposition to the uncongenial task of looking each other in the face all the time. It seems to me that for the expeditious passage of business through the House it would be more reasonable for the Prime Minister and his colleagues to be further down the chamber. And when we come to the rules and practices, and the traditions of the House, some improvement might also be effected. But the really serious thing about parliamentary practices such as those with which we are encumbered is that they defeat the very purpose of parliament, namely, the transaction of public business in the interests of the people. We are the representatives of the people here and our business is to transact the public business in the interests of those people, and it would seem to me that the rules of the House are not conceived at all with that end in view. In fact, if I rightly judge the procedure of the House, the rules are meant to foster a procedure which in its working out obstructs public business instead of advancing it. In the passing of the estimates so far this session we have had examples of that. No impartial observer could honestly say that the passing of supply so far has redounded to the credit of the rules and practices of this House. There has been a lot of time wasted already by frivolous questions put to the minister, not with the object of eliciting information regarding his department, but obviously in an attempt to hamper him. The passing of Supply is one of the principal reasons for our being here—to superintend the expenditure of the people's money; and any change in the rules that will make our superintendence more thorough is, I think, greatly to be desired, therefore to my mind the resolution of the hon. member for East Calgary (Mr. Irvine) is a timely one.

It seems to me that the objections raised against it are all based upon the assumption that we are destined for all time to be pinned down to a two-party system. Even the member for Comox-Alberni (Mr. Neill) appears to desire—almost unbecomingly as an independent—to bolster up that system. I do not propose to pay unreasoning deference to the two-party system, notwithstanding the view of the right hon. leader of the opposition (Mr. Meighen). He reminds me somewhat of a certain lady with a broom, when he says that he is going to stand against the emergence of the group system. I think that is a rash challenge. After all, what does the group system signify? It signifies the futility of the system that preceded it. It means that the system which has obtained hitherto has been ineffectual in giving expression to the will of the people. Apparently there are a good many hon. members who do not realize that the government of this or any other country is an exceedingly more complex thing than it was when the old-party system was first started, that immensely complex character of our civilization to-day necessitates a variety of economic and political expression, and that it is certain, especially in a country like this, that we shall have in the future groups in this House. As to the prediction that the group system will lead to sectionalism, I would say that sectionalism as it obtains in Canada to-day is the fruit of the system that is being superseded. The group system has not yet been given a trial in this country. There are three groups in this House.

An hon. MEMBER: There are five.

Mr. BIRD: Well, there are numerous nascent groups as well as the actual. That is significant too, for a lot of those little buds and sprouts may eventually reach full development. But it is futile for the leader of the opposition to blame on us what is evidently the outgrowth of the effete two-party system which has been trying to run this country. He says that it is contrary to the British system. Well, so much the worse for the British system. But what is the British system? It is a conception that exists in the right hon. gentleman's mind as regards the best kind of parliamentary government which will further the peculiar political ideas for which he stands. His so-called British system has no other existence. It is purely a figment of his imagination, something that in all its traditions and rules and practices is the best fitted to bolster privilege in this country. The greatest political genius could not evolve a party system better designed to uphold special privilege in this country. I repeat, if the coming group system is contrary to the British system, then so much the worse for the British system. But it is not contrary to the true British system, because that system is born of a spirit which always proves itself capable of the fullest adaptation to the changing conditions of the people; anything that shuts its eyes to developing conditions is antiquated and is contrary to the British system. And the aspersion cast upon the group in this corner of the House that we are always kowtowing to the party opposite ranks with the assertion that the group system is contrary to the British system. Our purpose in being here is to prove that the differences and distinctions that are supposed to exist between the parties under the old system are purely make-believe, and

I think the interruption of the hon. gentleman was a timely one. You have to get back into our committee rooms to find out just where the kowtowing is done. After all, the people are not interested in knowing just how many times we vote with the party opposite or with the party on our right; but they are interested in the fidelity with which we try to carry out their will, and no matter whether in the banking or any other committee where we have been face to face with the machinations of special privilege this group has never been found wanting yet. The distinctive thing about this group is that it has stood four square many a time against special privilege in opposition to the solid support given to special privilege by the old two-party system.

Therefore I think the resolution is a timely one. The present development of our parliamentary system has been through the gradual accretion of rules and practices that had been adopted for some particular reason or another, but it is only rational to suppose that periodically this growing tree should need a certain amount of pruning in order to serve its purpose—that of facilitating the business of the people.

Hon. GEORGE P. GRAHAM (Minister of Railways and Canals): Mr. Speaker, the rules of this House have been founded not on imagination but on practice, and have come down to us in the main from the Mother of Parliaments. It will be found that every rule, though it may not be perfect, is based on experience, and nearly every session we discover additional reasons for certain rules that we had either lost sight of or were not aware of before. So they cannot be altered lightly, and I do not think this House has any idea of altering them lightly.

My hon. friend (Mr. Bird) who has just sat down spoke of group government, in reply to the leader of the opposition (Mr. Meighen); but I suppose the people will say whether we are to have group government or not. Personally I am in favour of the two old parties, or of two parties at all events, not the "old" ones because I think they are as young as those that are called younger; but I am in favour of two parties as the best system of government. But that is for the people to say, not for me.

Mr. FORKE: Of course, you mean your own party to be one of them.

Mr. GRAHAM: I was just going to make an explanation. So far as the interests of the country are concerned the group system would not make very much difference so long as the Liberal party had a majority over the other two.

Mr. CALDWELL: That is probably one reason why you feel better about it than the leader of the opposition.

Mr. GRAHAM: I am closer to it.

Mr. MEIGHEN: Just the same, exactly.

Mr. GRAHAM: The suggestion has been made that the Progressive party has favoured this government. Well really I do not see how they could help it, and I am in earnest in that. The progressive measures of this government, though called Liberal, are still Progressive, a great many of them, and although on occasions the Liberal government and its supporters could not see their way to go all the distance with the Progressives, sometimes perhaps only a short distance, at all events the government went further than hon. gentlemen opposite, and consequently if the Progressives voted at all they would have to support those who came nearer to their ideals. I do not see how a Progressive could go home and ask Progressive electors for their support if he had done anything else.

I just want to mention one or two other matters, and first as to sectional discussions. I agree with the leader of the opposition to a large extent that all over Canada, even among members of the two former parties there is a disposition to form ourselves into geographical units. Deputations come to the government every day from different parts of Canada, with sectional views; I am not using the word in any derogatory sense, but we seem to have got away from the idea of the old Fathers of Confederation that we are to make a great Canada of this country by, if you will, a policy of compromises, so far as that is necessary, between the different parts of this country. I think we are making a mistake; I do not say it is the Progressive party that is doing it, but day by day ministers of the crown are approached from the angle of only one part of Canada. This is right in a sense, because each part of Canada has its own difficulties and peculiar problems, but after all, the government and parliament ought to do the same thing, and that is to take into consideration all these sectional viewpoints, and then arrive as closely as possible at a common working basis for every province in the Dominion of Canada. That is the only way we can manage to make Canada great and bring prosperity again to this country, and when there is prosperity in a country, contentment follows. I do not want to go any further along that line except to relate a little incident that occurred eight

or ten or eleven years ago. Three gentlemen —I think I have repeated this in the House before—were sitting in a car, one of them the late Sir Wilfrid, and each was asked to suggest what might be a difficulty in the future in Canada. Sir Wilfrid thought that the great desire of Canadians, and

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it was a question they would be called upon to deal with practically, ought to be to get a united people, free from prejudice one against the other, throughout the Dominion of Canada. Another suggested that our problem of the future would be our Imperial relations. I had the honour to suggest that I thought perhaps one of the things we would be called upon to discuss in a few years in a practicable way would be the differences that might arise in this Dominion between the east and the west. These are all practical questions, and we cannot approach any of them from an absolutely sectional viewpoint. If we do we are doomed for failure. I would like in the years that I have to be in public life, and they may be a great many—

Mr. BELAND: We hope so.

Some hon. MEMBERS: Hear, hear.

Mr. GRAHAM: —I would like if we all could broaden out a bit and try and see the other fellow's viewpoint on these great national questions.

Mr. MACLEAN (York): With the government giving the lead.

Mr. GRAHAM: That is what this government is doing strongly.

Mr. MEIGHEN: A lead downhill.

Mr. GRAHAM: We are trying to look at every part of Canada with a vision that will not hide the other parts of Canada. As to questions, for instance, affecting the west particularly, I believe the people of Canada will say that we have not looked on those questions with a narrow vision; and the same with the east and the same with the centre. Perhaps everybody is to blame by having a slightly sectional view, and if you will allow me to say it, I think perhaps we have been doing it in the last year or two more than ever before, that is, getting up and defending not Canada with all her works but that little part of Canada in which we live. While that is necessary, the vision will have to broaden out if we are to have a greater Canada.

Perhaps I am getting away from the rules a little. As to the responsibility of the government, I have always taken strong ground. I do not know whether I am an old Tory in doing so or not, but I have always taken strong ground on the responsibility of government, to a large extent, for what emerges from parliament. True, I would not interfere with the right of parliament to be supreme, even though a government can be put out by parliament under our constitution, which cannot be done in the United States.

The leader of the opposition has referred to committees bringing in reports. I am free to admit that we ought to be more careful with those reports.

Mr. MEIGHEN: Hear, hear.

Mr. GRAHAM: We get a number of men on a committee, and I put myself in with the rest, and they work on a certain question day after day and become absolutely enthusiastic over it, perhaps to the neglect of other questions, and then bring in a report which will meet the views of the men who have been pursuing this one question in which they have become enthusiastically interested. Now this House should not approve of that report without the closest scrutiny, because it might involve something that would be of detriment to the entire Dominion of Canada.

As to referring the estimates to a committee, that is a question that is debatable. You will say: You have done it yourself. Yes, we are trying an experiment, but, remember, that experiment is not with the general affairs of Canada, but concerns only two institutions, mercantile enterprises upon which Canada has entered. They are not quite in the same class with the ordinary expenditure of a government. The government has to take a stand in the House as to what will be considered a want of confidence motion. I do not say that defeat in Supply, unless it might be on a vote involved by some large question of policy on the part of the government, ought to be taken as a want of confidence vote; but if it involves defeat on a large question of policy for the government, for which we are asking money, I would say it ought to be taken as a want of confidence motion. There is this point to consider. Put a government in a position such as I have indicated, and if you were to take the view that no vote in committee or even in the House should be taken as a vote of want of confidence, unless the mover should so declare, it would be impossible for any government to carry on its business. The position of that government before the country would be so humiliating that they would have to resign. And the mere fact that a member says "I am going to move this resolution; I am sorry to put you in a predicament and humiliate you before the country but I do

not mean it as a vote of want of confidence" does not relieve the situation. In the great majority of instances my own view, as the result of years of experience, is that we cannot help but regard the vote as one of want of confidence.

Now, I would suggest that one or two amendments might be made, not to the rules but to the standing orders. The hon. member for Nelson (Mr. Bird) suggested the point that in committee of Supply there should be nothing placed in the way of hon. members getting all the information that is necessary. But perhaps we all overstep the mark sometimes by prolonging discussion without getting any information. I am not sure that there might be two ways of curtailing that practice. One would be to not have any Hansard at all in committee.

Some hon. MEMBERS: Hear, hear.

Mr. GRAHAM: The other would be to limit the number of speeches a member could make on any one item.

Some hon. MEMBERS: Hear, hear.

Mr. GRAHAM: It might be said that that would be curtailing the existing privileges, seeing that the discussion in committee is meant to be conversational rather than oratorical; but we are getting into the practice of delivering long speeches in committee of Supply without getting the information we want. That is just a thought that I throw out—that the number of times a member could speak on any given item might be limited.

Mr. MANION: Sometimes long speeches are made by the minister.

Mr. GRAHAM: I am coming to that. There is no special rule for the minister. I am the greatest sinner in the House in regard to lengthy speaking. I have made the longest speech that was ever delivered in the House of Commons, so I can talk freely of myself. I am not sure that the work of parliament would not be expedited if the length of our speeches even with the Speaker in the chair were limited. There is no question to my mind that if parliament were deeply interested in any question it would admit of exceptions being made to this rule unanimously. If there was some subject demanding a longer period than that named in the rules parliament is not critical to that extent, but by unanimous consent either the leader of the opposition, or the Prime Minister, or any member who had some topic that required quite a length of time to develop would get permission from parliament to speak at greater length. But this change would curtail the amount of time we use in discussing some of the minor questions at least.

I want to conclude with this other reference: I am a kind of ritualist, I would not want to get away from any of our rules lightly because there is reason for them all; and unless some good reason could be given for any deviation I believe that making as little change as possible in the general rules will conduce to our conducting business with decorum. It is true we cannot get away from the fact that conditions have changed. The rules were largely made,—some of the sections at any rate—with the idea of there being only two parties in the House. There may be some reason for having a number of minor changes because nothing develops the need for changes like experience, and experience may have shown that we ought to have some changes. I am quite willing for a special committee to look into the rules of the House and advise with Mr. Speaker to see if there be a necessity of revising the rules in some respects; but I would suggest to the committee that they do not enter upon the work of revision with any idea that they are going to tear the rules of the House all to pieces and substitute new rules, because the old ones have done splendid service. With the exception perhaps of needing some slight revision I would not like to see the principle of those rules altered very much.

Mr. IRVINE: I do not intend to delay the House more than a few minutes in replying. I think the discussion has perhaps taken a course that would have been more appropriate in a committee that had met to consider the revision of the rules but that was doubtless due to the method of presentation which I adopted. It was necessary for me to give some indication of what I understood to be the possibility of revising a rule of the House with some definiteness. I therefore presented my own ideas on those matters, but not with any hope that hon. members would agree with my particular suggestions. I only used those in the way of illustration in trying to establish the need for a special committee. Some hon. members, however, appear to have concluded that the debate is on the nature of the amendments that may be made, rather than being as it is a debate on the advisability of appointing a committee. My object in using those illustrations was merely to set forth the need for the committee.

I do not intend to enter into the arguments that have been advanced, further than to make a comment on the observations which have been offered in regard to the group system. I

had no intention of course of introducing that idea in proposing the argument, but I can see how it is certainly relevant to the discussion. The right hon. leader of the opposition does not believe that the group system is going to have any future, and he does not think that it ought to. I do not know, of course, that it is going to have any future or not, I hope that it will. But there is one way of getting rid of some of the groups in this House, and that is for the Conservative party to join the Labour party, or for the Liberal party to join the Progressive party.

Mr. MEIGHEN: Hear, hear.

Mr. IRVINE: I do not hear the Conservative party very loud in their expression of willingness to come over here and join the Labour party. They cannot expect that we will go over there and join the Conservative party or cross the floor and join the Liberal party, because whether we have an idea or not we think we have and that is the same thing, so far as the reason for the existence of a group is concerned. As to the sectional idea and the geographical ideas, which have been mentioned, these exist whether you have one party, two parties or one hundred parties; and I venture to say that one of the problems which the government party have to deal with at the present time, is that very sectional problem. That would be no more difficult to deal with under fifty groups than under one group. We do not create any sectionalism by merely representing it. If it were not there it could not be represented. To try and hush those things up by maintaining, through artificial means, the two-party system is not, in my opinion, the way to meet the situation.

I want to make one remark in reference to what was said by the hon. Minister of Railways and Canals (Mr. Graham). He very properly pointed out that there was a reason for every one of the rules of this House. I am sure I never doubted that, but it is just possible that some of the reasons which once existed for those rules are not very relevant now, and it is also just possible, as was pointed out I think by the hon. member for Nelson (Mr. Bird), that some of the reasons for these rules might be very much opposed to the best interests of the people to-day. But it certainly was not my intention to give the impression that I looked upon those rules lightly, or that I had sought to slight them in any way whatsoever, nor do I look forward to any tearing up of these rules on the part of the committee which I hope will be appointed. I certainly doubt whether any committee would be prepared to go very far beyond what was suggested by the right hon. leader of the opposition (Mr. Meighen) and the hon. member for Comox-Alberni (Mr. Neill). I agree with the proposals that the hon. member for Comox-Alberni made. I would be willing to go much further myself, but I do not expect the House will accept my leadership in such a matter. If it did, it would certainly go much beyond the stage marked by the hon. member for Comox-Alberni. I have been very much pleased with the discussion as far as it has gone. I certainly am prepared to withdraw my motion in preference to the amendment which was moved by the Prime Minister (Mr. Mackenzie King). I think his amendment covers thoroughly what I was seeking to establish. Therefore, in favour of the amendment of the hon. Prime Minister, I ask leave to withdraw my motion.

Mr. L. J. LADNER (Vancouver South): I desire to make a few remarks from the point of view of a young member coming into the supposedly complicated maze of parliamentary procedure, coming here as a freshman in knowledge of the procedure and in knowledge of the parliamentary difficulties which I suppose we will be confronted with. From my personal experience—and I have taken some part in the activities of parliament—I have not found that the rules fetter one's activity. I have not found that there has not been almost every opportunity offered for any proposal or any idea which I had wanted to place before parliament, or that I was confronted with any serious obstacle. I believe, however, that a committee such as outlined by the Prime Minister to look into this question and to inquire into the problems and matters which the various speakers have referred to would be advantageous to the members of the House and to the procedure in the future. But if this committee approaches its task with the idea of enabling the government and the Progressive party to carry on before the country the appearance of being opposed to each other, while at the same time they are conducting the business in the House, in the corridors of the buildings and in the policies of the government in a way which finds agreement, but which, in the idea of the party in this part of the chamber, is opposed to the proper procedure of parliament, then I would not be in favour of very serious activities on the part of the committee. In other words, it would appear from the remarks of members of the government and some of our friends to the left that the real intent behind this resolution is to enable these parties to join more closely in that

matrimonial relationship which does not seem to have a legal status. When it comes to the encouragement of sectional or group representation in parliament, I would be opposed to it. I do not think that my hon. friend from East Calgary (Mr. Irvine) can claim to be entirely a representative of labour. Over one-half of my constituency is largely labour, and I believe I have the honour of representing labour in the House of Commons and of speaking in their best interests. This idea of representing a class group in my judgment is a mistaken one. A member entering parliament has the obligational responsibility of representing all classes in his constituency, and the truth of the matter is that the two old parties are non-class, and they attempt to, and in fact do, represent their constituents as a whole, and are open in mind and conviction to the interests of all the sections of the constituency, with the idea of harmonizing these interests and expressing the will of the majority of the people in their ridings. But if this committee carry on their work in such a way as to make more easy the co-operation between the government and my friends to the left, or if they carry on their work with an idea of developing group government or sectional interests, then I say that history has proven that the policies and practices of the old party system really are the best for the advancement of our democratic institutions. There is no doubt about that. Some constitutions are made specially for group governments. Take France or the United States for example; there the constitution is framed in such a manner that members stay there for a certain length of time, and no matter how a vote goes in congress in the United States, or in the Chamber of Deputies in France, no matter whether adverse or favourable, the government continues and remains in power, subject to certain methods by which governments are changed; but they are not the same principles as we have here. In fact, in my judgment we have the most democratic method, the most efficient method of enabling the will of the majority of the people to be made effective immediately in policy and in legislation; and so I repeat, in carrying on the work of this committe so far as the rules of the House are concerned, I hope that the committee will have regard for experiences of the past, and that they will be imbued with a solemn and strong conviction to maintain the principles, the rules which we already have, and that they will not take any action which will tend to develop a group system of government.

Amendment (Mr. Mackenzie King) agreed to.

Motion as amended, agreed to.

MOUNTAIN FREIGHT SCALE

Mr. D. M. KENNEDY (West Edmonton) moved:

That, in the opinion of this House, the mountain freight scale should be abolished in so far as it is reflected in standard mileage rates, class rates and commodity rates.

He said: We have in Canada five rate territories. For the purpose of our discussion this afternoon three of them are important: that is the Atlantic territory, which includes territory from the Atlantic to as far west as Sudbury; the prairie territory which begins at and includes Port Arthur and reaches west to points just east of the Rocky mountains and the Pacific or mountain territory which commences at the western boundary of the prairie territory. The other two territories are the Superior territory and the British Columbia lakes, but these two latter are not so important for the purpose of our present discussion. All articles of freight in Canada fall into the general Canadian classification of ten classes. There are six additional classes, running from one and one-half times the first class up to four and one-half times first class, and all articles of freight in Canada come under those sixteen classes. Of course, as there are different rate territories with rates varying in one territory as compared with another, it will be seen that even with a uniform classification freight rates in one portion of Canada are higher or lower, as the case may be, than in another. Generally speaking, freight rates in the Atlantic territory are lower than freight rates in the prairie territory, and freight rates in general in the mountain territory are higher than in the prairie territory.

Mr. GRAHAM: Would the hon. member estimate that per mile, or how?

Mr. KENNEDY (Edmonton): During the discussion I want to give to the minister and the House my reason for thinking that there is that difference. I am not going to rely upon mileage comparisons of rates because mileage comparisons are somewhat tricky, but I will take the declared opinion of the Board of Railway Commissioners over the last twenty years. I also intend, in the course of my argument, to develop reasons why the Board of Railway Commisisoners cannot deal with this question satisfactorily and really give us the equalization that we ought to have in Canada.

Various protests have been made from time to time with regard to this discrimination between the different territories, but the discrimination has been allowed to continue. The Board of Railway Commissioners has dealt with the question time and again, and in connection with various rate cases it has declared that unquestionably in its opinion, there was discrimination, but it was not unjust nor unfair. The Railway Act, of course, states that there shall be no unjust nor undue discrimination, and the board in its investigations and findings has found that although there is a lower rate in eastern Canada than in the west and a lower rate on the prairies than in the mountains, the discrimination was not unjust nor undue because of conditions obtaining in those various territories. The mountain scale, until recently, has been looked upon as distinctly a British Columbia handicap or problem, and it may be that prior to a few years ago, before the Panama canal was opened and elevators were constructed at Vancouver and before the trade on the prairies began to move more directly through British Columbia, out on to the Pacific, to the Old Land and to the Orient, it was not such an important question for the prairies. The prairies right through to the Peace river country had been looked upon largely as tributary to Fort William, Port Arthur, Montreal and eastern Canada generally. But the development during the last years, the opening of the Panama canal, the elevator construction at Vancouver and making possible thereby the shipping of grain by that route, has made this question one of vast importance for the prairie provinces as well as for British Columbia. So within the last two years, we find Alberta associating herself with British Columbia in a protest against some at least of those mountain rates. The western rates case began in 1911 and judgment was delivered on April 6, 1914. The complaint was:

1. That the tolls charged in the provinces of western Canada, (Manitoba, Saskatchewan and Alberta) are higher than those charged in eastern Canada, (Ontario and Quebec), and

2. Of unjust discrimination by the Canadian Pacific Railway Company in tolls from Vancouver, British Columbia, to interior points in the western provinces as compared with the tolls charged to the same points in eastern Canada.

The Board of Railway Commissioners delivered its judgment, and on page 156 of Canadian Railway Cases, volume 17, we find this:

On the issue of discrimination there is no doubt whatever that disparity of rates exists. While the railway companies plead a greater diversity of traffic, better traffic conditions and return loads, and a lower wage schedule in the east than in the west, there is to my mind no question but that those different factors and their effects are of necessity mirrored in the companies' returns, and are more than compensated for by the long average haul and lower terminal expenses that obtain in the west.

Practically the same thing was said afterwards in the judgment delivered by the board in eastern rates case on June 6, 1916. The reference is to Canadian Railway Cases, volume 22, page 41. The judgment states:

While, as has been set out at greater length in the western rates case, differences of conditions do exist between eastern and western Canada, and while western freight rates have already materially been reduced, the general schedule there obtaining is still higher, notwithstanding the fact that certain western rates that may be instanced are lower. There is no doubt but what the act requires and the general public interest of the country as a whole demands, that, if practicable, eastern rates should be advanced so that the different schedules may more nearly approach a parity.

I am aware that an absolute parity is impracticable, but, as conditions become similar, a reasonable parity ought to be obtained.

The next case to which I refer is the 40 per cent increase case. During 1922, before the committee on railway transportation costs, it seems to me that the railway representatives made a strenuous effort to convince the committee that rates after all were very nearly equal as between eastern Canada and the prairies prior to the 40 per cent increase. In the 40 per cent increase case, the judgment, which was delivered in December, 1920, has this to say:

Allowing for the undoubted fact that a very large proportion of the traffic both east and west is on the commodity basis, I am still forced to the conclusion that the rates in western Canada average considerably greater than in the east, possibly around 15 or 18 per cent.

In coming to this conclusion I am stating nothing new, as this fact has always been recognized and particularly by Sir Henry Drayton, the then chief commissioner, in the Eastern Rates case, so called In re Eastern Tolls, 22 Can. Ry. Cases, at page 41, where the following statement appears:—

"While, as has been set out at greater length in the Western Rates case, differences of condition do exist between eastern and western Canada, and while western freight rates have already materially been reduced, the general schedule there obtaining is still higher, notwithstanding the fact that certain western rates that may be instanced are lower. There is no doubt but what the act requires and the general public interest of the country, as a whole, demands, that, if practicable, eastern rates should be advanced so that the different schedules may more nearly approach a parity".

As a 40 per cent increase was given in eastern Canada and a 35 per cent in western Canada, that still left, in the opinion of the board, a considerable difference. Previous to this increase the difference in the two rate scales was approximately 15 or 18 per cent. Since that time there has been some reduction in rates both east and west. We had a

reduction in grain rates after the committee had reported to parliament in 1922, and then we had other reductions in the east which brought the rates down to within 17½ per cent of what they had been previous to the 40 per cent increase, and in the west to 12½ per cent above the rates in existence previous to September 1920.

The committee on railway transportation which considered the question whether or not it was advisable to reinstate the Crowsnest pass agreement had strong representations made to it in 1922, when it was pointed out that in the event of the rates being lowered on grain the Canadian Pacific Railway might be unable to pay its dividends. I submitted figures to the House last year to show that notwithstanding the reduction the Canadian Pacific Railway had better earnings in 1922 and 1923 from grain in western Canada than it had the previous year. This was no doubt due in part to the fact that we had splendid crops in western Canada during those two years. Figures were submitted, taken from the files of the Board of Railway Commissioners, relating to the net and gross earnings of the Canadian Pacific Railway in the west. Going back to the years 1916 to 1922 we find that the operating revenues in the east amounted to $226,500,000 while in the west they amounted to $356,500,000, the west being 57½ per cent higher than the east. The operating ratio in the east was 73.3 and in the west 57, while in the prairie west it was 54.5. The net earnings of the west were $92,500,000 greater than those of the east, or 154 per cent; that is to say, the net earnings in the east amounted to $60,000,000 and in the west to $152,500,000. From the years 1916 to 1920, before the period in which the increase took place, the operating revenues were, in the east, $370,000,000 and in the west $442,000,000; so that the west was $72,000,000 more than the east, or 20 per cent. And this embraces the prosperous manufacturing war munition period in the east. I have not the division of operating revenues for the years 1922 and 1923; I have already stated that during the grain moving months there was a higher gross earning and a higher net profit than in the summer months for the year 1921.

I have here a statement for the year 1924 of the operating expenses and the net revenues of the Canadian National Railways and the Canadian Pacific Railway. I want to put this statement on record because some people seem to think that there was something unholy done to the rest of Canada in the reinstatement of the Crowsnest pass rates on grain and that it wiped out forever any discrimination between eastern and western rates. This statement shows that for the months of January, February, March, April, May, June, July and August the Canadian National Railways, except for the month of March, had a very small net revenue; March was the only month in which they had a net revenue of over $1,000,000. In February they had a loss of $768,000; in May they had a loss of $433,000; in June there was a loss of $974,000. In September, however, they had a revenue of $1,515,000 and in October, $4,161,000, while in November there was a net revenue of $3,367,000. I shall now give the Canadian Pacific Railway's net and gross revenues for the eleven months of 1924; I am simply going to give the totals, and if the House has no objection I shall hand the statement to the reporter afterwards, because I should like to have it inserted in full:

Month	Gross revenue	Net revenue
January	$13,000,000	$ 709,000
February	12,000,000	938,000
March	14,000,000	2,000,000
April	13,000,000	1,000,000
May	14,000,000	1,000,000
June	15,000,000	2,000,000
July	14,000,000	2,000,000
August	14,000,000	3,000,000
September	15,000,000	4,000,000
October	19,000,000	7,000,000
November	17,000,000	6,000,000

The grain traffic represents about 45 per cent of the total business of western Canada, according to Mr. Lanigan of the Canadian Pacific Railway. If you segregate the month during which the grain traffic moves, you will find there is a tremendous increase in the total revenue and in the proportion of net to gross revenue. I submit, Mr. Speaker, that in the various judgments handed down by the Board of Railway Commissioners we have the proof that the prairie west has been paying more than its share of profit to the railways. That the Canadian Pacific has a greater mileage in the three prairie provinces is not in itself an explanation of the fact that its net revenues are greater, because we know that the cost per mile of construction in eastern Canada is very much higher than that in the west. In the eastern rates case the railways applied for a general increase in rates, and the Board of Railway Commissioners decided they would have to take into consideration the position of the Grand Trunk. The Grand Trunk was an old-established railway, and the board decided, in a general way, that they would accept the valuation of the Grand Trunk as a basis on which to fix rates, and let the newer railways take their chance, as they would not have come into the territory unless they were

willing to compete with the railway already established there. It was admitted that a remunerative rate scale for the Grand Trunk would be all right for the Canadian Pacific, because the Canadian Pacific was in fact in a more prosperous condition at that time than the Grand Trunk. The claim was made that the capital charges of the Grand Trunk were no less than $131,395 per mile of line. This value was not accepted by the Board of Railway Commissioners, and they made a comparison with various other lines to ascertain what might be a fair valuation. They found that the Glen Tay-Agincourt line of the Canadian Pacific cost altogether $13,144,685, or $71,547 per mile; the Intercolonial, according to the government statistics of 1915, cost $75,066 per mile, including equipment and terminals; the National Transcontinental cost $76,632 per mile; the Ontario Hydro-Electric line from Toronto to Guelph cost $100,000 per mile, including terminals. In its judgment, which will be found in volume 6 of the board's judgments, pages 153 and 146, appears the following:

> If the cost of the National Transcontinental were applied to the Grand Trunk mileage, adding a conservative estimate of $10,000 a mile for equipment, a vaule of $86,632 per mile is arrived at.

When we compare that with the general cost of lines on the prairies, we find that the government guarantees ranged from $13,000 to $20,000 per mile. We know that was not the total cost, but we know also that when the government had something to do with building the mountain section they had to give a higher guarantee altogether. When the Grand Trunk Pacific bill was put through the guarantee for the prairie section, which was supposed to cover 75 per cent of the cost of the line, was $13,000 per mile, but in the mountains the guarantee was $30,000 per mile. I understand that this limitation regarding its mountain section, was afterwards wiped out. It is recognized that there is no comparison between the cost of building railways on the prairie territory and in the mountain territory, or the railways east and west of the prairies. So I submit that the tremendous earnings of the Canadian Pacific on the western prairie lines, is not explained by a greater mileage. This is offset by the fact that the cost of construction is much lower. This bears out the statement, which has been made time and again by the Board of Railway Commissioners, that in general the rates are higher in western than they are in eastern Canada.

Now, Mr. Speaker, I am not arguing for the moment that there was anything unjust in this, but I do say that so far as that portion of the prairies is concerned which is so situated geographically that it ought and does use the Pacific coast ports, if in the past it has been impossible to give that section rates based on the local cost of construction and of operation, it is absolutely unfair to continue charging us the mountain scale of rates—rates which are in excess of those on the prairie territory—where the grades are better and the cost of construction no higher than the maximum in eastern Canada. In 1907 when the British Columbia coast cities applied to the Board of Railway Commissioners to have the mountain scale wiped out, one of the arguments used in rebuttal was this: Vancouver and the Pacific coast cities have certain advantages due to water competition, they have low through rates westbound, and they should not complain if they have the disadvantages of their geographical position when they are shipping inland, over mountain grades that cost more to construct. But so far as the province of Alberta and parts of western Saskatchewan are concerned, we are not allowed the advantage in our rates of the lower cost of construction and the lower cost of operation of the prairie lines, and we have heaped upon us the disadvantage of the mountain scale rates when we want to do business with that part of the country that our geographical position puts us in a position to do business with.

I should like to call it six o'clock, Mr. Speaker.

At six o'clock the House took recess.

After Recess

The House resumed at eight o'clock.

Mr. KENNEDY (Edmonton): Mr. Speaker, when the House rose at six o'clock I had just finished giving some proof that the prairie provinces had been paying their share of railway profits, and possibly a little more, during the past twenty years or so. I should like to supplement that evidence by quoting an article from this morning's Ottawa Citizen:

> New York, Feb. 22.—Over sixteen hundred members of the New York Traffic Club, and the largest gathering in the history of the organization, were present at the annual banquet in the Commodore hotel here last night, where E. W. Beatty, K.C., president and chairman of the Canadian Pacific Railway, was the chief speaker. The guests included the executives of many of the larger United States railroads. W. A. Schumacher, president of the club, was in the chair.
>
> Mr. Beatty was accompanied by W. R. McInnes, of the C.P.R., Mr. Beatty largely devoted his remarks to a review of Canada's railway history, which was, he said, the story of great achievement, mistakes, failures and political and economic complications end-

ing with the most unique situation existing in the world to-day. He traced the building of the Canadian Pacific Railway, and said that the success of the company had provoked similar but over-ambitious enterprises. He referred to the Canadian Northern which, he said, while a great conception, carried to physical completion, had failed because it was built before its time and could not be operated successfully through the dislocation of war time.

"If," said the speaker, instead of turning its prairie lines into a portion of a transcontinental system, the owners had been content to make as their termini the mountains on the west, and the Great Lakes on the east, they would have been the wealthiest men in Canada, and Canada would not to-day be facing the railway burden it is compelled to bear."

The mountain scale, Mr. Speaker, is somewhat higher than the prairie scale. In 1907, by the judgment in connection with the British Columbia Pacific Coast Cities versus the Canadian Pacific Railway, the mountain scale on part of the mileage was reduced to within 100 per cent higher than the prairie scale and to about one and a half times the prairie scale on about 500 miles of the mountain mileage. At the time of the western rates case in 1916, the mountain scale was reduced to from one and a half to one as compared with the prairie scale on its full western mileage. Since that time, in 1922, I think it was, the mountain scale was reduced somewhat nearer to the prairie scale, but it still is somewhat higher than the prairie scale. As I have pointed out because of the development of trade routes via the Pacific coast and through the Panama canal, and the development of trade with the Orient, we are face to face with a problem where the prairies, being denied rates equal to those in the eastern part of Canada, where the cost of construction and operation is lower, have to pay higher charges when they want to ship over grades just as favourable as those in the east.

Of course, it is to Alberta's advantage to do business with British Columbia. The provinces of Alberta and British Columbia are largely complementary. We in Alberta grow wheat and produce cheese, butter and other commodities for export, and British Columbia requires a great many of these commodities. British Columbia manufacturers on the other hand, are able to cater to the market on the prairies, and if there is anything in the home market idea, and I think there is, it is to the mutual advantage of British Columbia and Alberta that they have favourable interprovincial rates, and thereby each helps in the development of the other. I think that the main hindrance to getting an equalization of rates has been the attitude taken by the Board of Railway Commissioners, that the railways must have their dividends. That principle broke down when they sought to apply it to the Grand Trunk Pacific and the Canadian Northern. Though some compromise had been made in 1916 between the rates that were absolutely necessary on the Canadian Pacific and the rates necessary to keep the Grand Trunk and the Canadian Northern afloat, the railway commission were not able to save those railways from the financial difficulties into which they finally drifted.

Professor MacGibbon, of Edmonton, has written a book entitled Railway Rates and the Canadian Railway Commission, in which he says:

The fundamental holding of the board is that there shall be a fair return on the funds actually invested in the enterprise. This position is emphatically taken in The Dawson Board of Trade vs The White Pass and Yukon Railway Company case.

The board had ordered certain reductions on the Yukon Railway, and the Yukon Railway appealed to the Privy Council. The Privy Council granted a rehearing. The company also applied to the board for the rescinding of its order providing for a reduction in rates until such time as the rehearing was completed. The board in granting a stay until the rehearing said this:

The board never intended to deprive those carriers of the opportunity of earning, first, not only enough to pay the interest upon their bonds, but, secondly, to pay a fair return upon the actual capital that went into the road and that is now outstanding in the form of stock. No controlling commission has got, it seems to us, the right or the jurisdiction to make an order that would have the effect of destroying the earning power of the capital that honestly went into the facility—

And so on. A little further on in the judgment we find this:

Had the management been as economical then as now, with the large earnings in those days, no doubt substantial reductions could have been made without hardship upon the stockholders; but this matter can be dealt with only upon conditions as they exist to-day.

In connection with the same principle in the western rates case we find this:

The whole question is or should be what rates are fair? In considering this question of course surpluses earned by past operations may be evidence to the facts that the rates under which they were earned were exorbitant. Any industrial enterprise has the right to a reasonable surplus over and above its fixed charges and dividends. A railway is also entitled to a reasonable surplus. . . . To my mind it is quite impossible for the board to deal with rates in the west on the hypothesis that the Canadian Pacific is the only railway that should be taken into consideration.

Subsequent to that, however, in 1920 order No. 308 already referred to, was issued, in which the same position was taken that rates should be fixed and guaranteed that would enable the Canadian Pacific to pay 6 per cent, and then a surplus of 2 per cent to cover what might be called contingencies.

Mr. MEIGHEN: Who made that order to which the hon. gentleman refers?

Mr. KENNEDY (Edmonton): It was ruling No. 308 of the Board of Railway Commissioners in connection with the 35 and 40 per cent increases.

Mr. MEIGHEN: I think the hon. member is mistaken. I remember the order of 1920 or 1921.

Mr. KENNEDY (Edmonton): In connection with the 40 per cent increase?

Mr. MEIGHEN: No. I remember a reference back by the Governor in Council in which the railway commission was instructed to disregard the Canadian National Railways, and make rates only on such a basis as they felt fair to the Canadian Pacific, but there was no stipulation that there should be a definite earning capacity.

Mr. KENNEDY (Edmonton): It is true, however, and has been stated a number of times. I was going to read the order in council to which the hon. leader of the opposition refers. The idea in the western rates case, as well as in the 35 and 40 per cent increases, was to enable all the railways to carry on. However, an appeal was taken to the Privy Council in this case and on October 6, 1920, the Privy Council, in order No. 2434 dismissed the appeal, but in doing so expressed the following opinion:

> What constitutes a fair and reasonable rate should not be arrived at without reference to the requirements of the Canadian National system, and your committee recommends that the order in this case be referred back to the board to be corrected in its findings in such manner as to determine what are fair and reasonable rates without taking into account at all, for the time the order shall be in effect, the requirements of the Canadian National system.

As far as I can find out that is the first time that principle was applied. Previous to that an attempt was made to ascertain the breaking point between the needs of the three systems. Now, I want to say this—it may be heresy to some but it seems to me to be common sense—I do not know that any railway corporation, or any other kind of corporation, should have its dividends guaranteed at the expense of the people of the country. I am willing to admit the importance of the Canadian Pacific, and the importance of the other railways of Canada; but when we find the president of the Canadian Pacific to-day contending for his dividends and his surplus I must say I cannot see that that concern is of any more importance to Canada than the industry of agriculture or the manufacturing industries of the Dominion. Such treatment might be justified under normal conditions, but during the last few years conditions have been abnormal; and if the Board of Railway Commissioners tries to fix rates on a basis that will guarantee its dividends and a surplus to the Canadian Pacific, it can only do so at the expense of the other industries of Canada. And what condition are these other industries in? I know that agriculture is not in a position to stand it; and I am told that in the case of a great many other industries not only are they earning no dividends but that through the deflation of the last few years they have experienced a loss of from 50 to 75 per cent on their capital investment as well. Therefore, as far as I can see railway dividends should be no more sacred than dividends on capital invested in agriculture or in manufacturing concerns.

I have here a copy of the U.F.A. published in Calgary on February 2, 1925, on page 15 I find it stated:

> Canada's railways must have a living profit.

Then it is stated in an advertisement:

> No greater catastrophe could overtake Canada than the weakening of the present strong position of the Canadian Pacific Railway.

That seems to me an extraordinary statement. When you place dividends on one corporation representing an investment of less than a billion against those of all other industries representing almost twenty times that amount I say it is an utterly ridiculous statement. I believe we have to get away from the idea that the dividends or the interests of any corporation are to be held sacred. I am willing to give the Canadian Pacific—and any other corporation in Canada for that matter—all that we are entitled to as agriculturists and nothing more. I believe that we ought to have equality in so far as our treatment by the government of the country is concerned. I do not believe the Canadian parliament has any right to hand over authority to a commission of any kind, be it a railway commission or a tariff commission, to especially look after one industry when that can only be done at the expense of the rest of the people of the country.

There is another objection that I have to this mountain scale: It has overflown into the prairies. I suppose if we had never had the mountain scale through the Rocky mountains and out to the coast we should not likely have had it in the territory between Edmonton and the Peace river country. But we have a railway there built some years ago, and its grades are just as low as the grades of the Canadian National railway through the Yellowhead pass, 4/10 of one per cent grades, except crossing to the Smoky river and the

Peace river. The grades are heavier there but only for a distance of ten miles in each case. I would like to see the rates of this railway come down also. I know there are difficulties in connection with this matter, but I do not think it is fair that we ought to guarantee, before rates are reduced in any particular whatever, that the railways are going to be taken care of in every instance.

The evidence taken before the committee on railway transportation costs in 1922 seems peculiar. The Canadian Pacific representatives were there arguing that they could not accept certain reductions without a loss of dividends. One gentleman came from Saskatchewan and argued that he had done his last year's work without any wages, and his sons had done the same; they had nothing to show for it so far as dividends were concerned. An hon. member from Nova Scotia said that every other industry in the country was just in the same position and yet in spite of that we had the argument that the dividends of the Canadian Pacific Railway should be guarded. I read a few days ago a declaration,—I think it was an enunciation of the policy of the Conservative party,—by the right hon. leader of the opposition (Mr. Meighen), in which he went on record as favouring subsidies for the railways in order to take care of the long hauls and the difficult rate situation in Canada. Well, I am not very fond of the subsidy question, though it may be necessary. I would rather see the rates reduced and then have the question dealt with after we saw the result, than to start in with an offer of a subsidy in order to get the rate reduction.

Now, Mr. Speaker, I think I have said nearly enough on this question. Possibly I have brought the few points I had in mind before the House, and no doubt some other hon. members have something to say on the subject. In view of the fact that it has been found difficult to equalize the rates between the western provinces and the east, owing to water competition in the east, and because of the difficulties of these provinces to-day, it is imperative that we should get the advantage of the favourable rates through the Yellowhead pass to the Pacific coast. It might have been all right to hold the rates up somewhat in days gone by, when we had grades of 2 or 2.2 per cent through the Rockies, but the country has borne that long enough, and I think it is time to wipe out the mountain scale altogether in the mountains and on the prairies.

The resolution calls for the abolition of the mountain scale in so far as it is reflected in commodity rates, class rates and standard mileage tariff. I have argued that we ought to have the same rates west as east on commodities moving from Alberta, be it grain or butter, or whatever the commodity may be. If it is justified in this instance, then it seems to me to be justified all along the line. If it is not justified all along the line, it does not seem to me to be justified in that particular instance. Therefore, I have framed the resolution as it has been framed, that we ought to have a writing down of the mountain scale to the prairie scale at once, and as rapidly as possible get to a complete equalization of rates from east to west.

Mr. MEIGHEN: If it is a fact that the through commodity rate from the western coast to the east is lower than the prairie scale, would the hon. member be in favour of raising it up to the prairie scale?

Mr. KENNEDY (Edmonton): I did not quite catch the question.

Mr. MEIGHEN: If it is a fact that the through commodity rate from the Pacific coast in the mountains to the eastward, covering the principal part of their traffic, is lower than the prairie scale, would my hon. friend be in favour of having it raised to the rate in the prairie section?

Mr. KENNEDY (Edmonton): I think the hon. gentleman refers to the rates going right through, where there is water competition. No, they cannot raise it. The railways would lose the traffic.

Mr. MEIGHEN: The hon. member is in favour of discrimination against the prairies on that point?

Mr. KENNEDY (Edmonton): No, that is not the position.

Hon. GEORGE P. GRAHAM (Minister of Railways and Canals): I was going to ask the question my right hon. friend the leader of the opposition has just asked.

Mr. MEIGHEN: I helped you out.

Mr. GRAHAM: This question of freight rates is most embarrassing and most technical. Although I have been in the Railway department at different times for a great many years, I profess to know mighty little about it. It is something any person can take up in his own locality and feel that the rate is not fair. At the present time railway rates are not in a satisfactory condition—everybody admits that. The Railway Act says there should be no unjust discrimination, and it is claimed there has been discrimination.

That matter is before the courts now. I think it is a serious mistake at this moment for any member of parliament, or parliament itself, to take too severe an attitude towards the railways. As far as the Canadian National Railways are concerned, there can be no question about there being no dividends on that road, and I want to call attention to the fact that every man in this House is a joint proprietor of the Canadian National Railways. I might add further that the revenues of the Canadian Pacific Railway, as well as those of the Canadian National Railway, all come out of the impost on the traffic, whether it be passenger or freight, so that there is not so much difference between the upkeep of the railways as some people sometimes imagine. Although one is under private control or private ownership, yet it has no source of revenue except the pockets of the people who patronize it, and the Canadian National Railways is in the same position. I am in favour of great corporations only as they remain in their places, but railways are as essential to this country as anything else; we cannot do business without railways, and we ought to approach this question with an open mind and consider how best to bring about a situation which, while it will be fair to the people, will not be unfair to the railways. In the case of some companies it has been suggested that no dividends should be guaranteed. With that I agree to a certain extent, but it must be remembered that the railways with which our railways have to compete are largely in a place where they are guaranteed certain rates on the capital invested. I would not mention any rate of interest, but their rates are higher than ours. I do not mean the rate of interest, but the railway rates are higher than our railways charges. I hear there is a prospect of the freight rates in the United States being again raised very shortly. In fairness to the Canadian railways, I may say that they have this handicap that their fuel costs them more in a large section which they traverse than does fuel in the United States, and still on through traffic they have to compete with United States railways that can be run more cheaply. It has been said that Canadian railways should reduce rates of wages and other conditions have been mentioned. Rates of wages for men engaged in any employment in Canada will never go back to where they were before the war, and it is not in the best interest of the country that they should, because the standard of living for men who work with their hands must be kept at a point where they will be able to live in comfort. We cannot do much in the line of reducing wages. Further than that, even if that was desired, Canadian railways and American railways are so interlocked in their traffic that what applies to one side of the line must of necessity apply to the other. and I see no way of getting around that.

Mr. FORKE: I cannot quite understand the last statement the minister made, that wages of working men must be kept up to the level that they can have the same comfort as other people who are extravagant.

Mr. GRAHAM: When you get beyond the point of comfort you go into extravagance.

Mr. FORKE: Luxuries.

Mr. GRAHAM: The man who has enough for his family and himself to live on and to educate his children, is comfortable. When he has more money than that he is apt to become extravagant and thinks he needs for his comfort things he does not need. What I was trying to point out was that we cannot look to a reduction in freight rates through any great reduction in the wages of the men who are paid to operate the trains.

Mr. MACLEAN (York): Henry Ford pointed that out the other day.

Mr. GRAHAM: Conditions have changed, and the men of to-day, no matter in what employ they are, must be considered as co-workers and not servants as heretofore. That is the basis on which we must work.

As regards the mountain scale, my hon. friend has put his case pretty strongly; but no matter what the judgment of the court may be, this parliament must deal during this session with the whole question in some manner or another, when every angle of the freight rate situation will be viewed and discussed and every part of Canada will have an opportunity, through its members, of placing its views before the House. In fact, even if we so desired, I see no way of obviating a discussion, and, indeed, more than a discussion in this House on the great question of railway rates. At the present time there is an embarrassing situation. Crowsnest pass rates are in force in some localities and not in others. That is a discrimination between cities in the east and cities in the west, between localities in the west and localities in the east. What will be done, I am not in a position to say at the present moment; but in my humble judgment, this parliament, before this session closes, will have to deal in a Dominion-wide discussion with the whole railway rate situation and arrive at some decision, because business is disturbed and will not right itself again until we arrive at

some basis by which the people will know what the freight rates are to be and who is to control those freight rates. Does my hon. friend not think it would be a mistake for us at this moment to express opinions as to what we ought to do with freight rates piecemeal? This question affects the Maritime provinces, the central provinces. It is of vital interest to the prairie provinces and of interest to British Columbia. If we decided now that we were going to begin to arrange rates, a section at a time, my hon. friend would see that that would not be satisfactory and it would bring forth a set of resolutions from every part of Canada through the members for those constituencies, suggesting particular legislation—I do not mean particular favours —for their districts. Is it not wiser,—having had this discussion and possibly there may be more,—for us to wait for a complete discussion of the whole situation which will take in every condition of Canada, and then we may hope to decide something, perhaps not unanimously, which we trust will be in the interest of the entire Dominion and set at rest the question of freight rates which so vitally affects every part of this Dominion?

Mr. MACLEAN (York): Has the minister in view a uniform rate for transportation generally, whether by rail or water or otherwise

Mr. GRAHAM: I would not like to say that.

Mr. MACLEAN (York): Does the member who makes the motion propose that?

Mr. GRAHAM: No.

Mr. MEIGHEN: What is meant in the Speech from the Throne by "equalization in freight rates between provinces?" That is stated to be the programme of the government. If the minister would outline what he means by that, he would illuminate the discussion.

Mr. GRAHAM: I would rather omit any attempt to define the meaning of the paragraph in the Speech from the Throne until that is embodied in a bill that will be before parliament in all probability for discussion in detail.

Mr. LADNER: I did not quite catch how the minister related the mountain scale rate to problems similar in other parts of Canada. The mountain scale rate seems to be something distinct by itself and it would have to be separately considered. I propose to speak on it and I should like to ask the minister this question.

Mr. GRAHAM: I do not know that I have a right to speak so many times.

Mr. SPEAKER: By unanimous consent.

Mr. STEVENS: The minister has not taken his seat yet.

Mr. GRAHAM: Again, I would not care to give any definition of what these rates mean. I prefer to leave that until we have a discussion of the whole broad question. My hon. friend immediately takes the ground that he has a special case. The members from the Maritime provinces take the ground that they have a special case. The members from Ontario insist that they have a special case because some of their towns are discriminated against. The same thing is true of Quebec. Every province in the Dominion thinks it has a special case on freight rates, and that is why I say that we shall not get anywhere until we are prepared to take the matter up in a practical way, so that the whole field of transportation can be discussed with a hope of arriving at some method of devising a freight rate structure that will be at least comparatively satisfactory to the people of Canada.

Mr. L. J. LADNER (Vancouver South): Mr. Speaker, I would like to say a few words on this question of such grave and important consequences to British Columbia. I cannot agree with the minister that this is one of those problems which are common to other parts of Canada. It is distinctly a western question and one in which an unjust discrimination has been put upon the people of British Columbia and, indeed, the people of Alberta, without any principle, without any merit, and the proof of that lies in the fact that only a short time ago, after an inquiry by a committee, the mountain scale rate was reduced by 50 per cent. Now if the principle is established that it is an unfair discrimination, for what reason do they reduce it only 50 per cent? Why could not parliament reduce it to an equality with other parts of Canada? That seems to me to be the purpose of the proposal.

Mr. GRAHAM: Was it parliament that made that reduction?

Mr. LADNER: If it was not parliament, at any rate the inspiration should have come from some quarters of parliament.

Mr. KELLNER: Do you not mean that the excess was reduced by 50 per cent, and not the rate itself?

Mr. LADNER: But the mountain scale rate is nothing but excess. On this point I

would refer the House to the opinion of an expert, Mr. Symington, K.C., who represents the three prairie provinces. This gentleman says that in the prairies the same rate is charged for 150 miles as is charged in British Columbia for 100 miles, and the reduction was made from 150 to 125, the basic figure being 100. The mountain scale rate was originally imposed on the province of British Columbia for the alleged reason that the capital expenditure in that section of the country was larger than it was elsewhere and that the cost of operation and maintenance of road was also higher. Anyone who has read the evidence which was given before the special committee in 1922, as well as evidence that has been submitted at other inquiries, great and voluminous in their nature, will have seen that these contentions have been exploded; they no longer exist. And if you look at the matter historically you will find that British Columbia at the time of confederation gave in land subsidies, in order to assist in the completion of this railway, nearly 23,000,000 acres of land and about $2,000,000 in cash. The Dominion of Canada contributed about $62,500,000 and the road was built largely for confederation purposes, just as the Intercolonial railway was built to fulfil similar obligations. While the people of Canada paid $130,000,000 or $140,000,000 for the Intercolonial railway the government of Canada paid $62,500,000 to the Canadian Pacific Railway for the connection of the western section. Yet British Columbia in addition to her proportion of the contributions was called upon to give this huge extent of land as well as the cash to which I have referred. In the terms of union as well as in subsequent legislation our province presumably was protected with respect to freight rates. We were to have equal and fair rates without any discrimination. Now, from the very inception of things, on no grounds of merit and for no real reason, a discrimination has existed in the mountain scale rate. The purpose of this resolution is simply to elicit from the members of this House an opinion as to whether or not they sincerely and frankly believe, in view of all the information which has come into their hands, that the mountain scale rate, this arbitrary imposition, should be placed against the western provinces. I do not agree with the Minister of Railways (Mr. Graham) that it has any relation to any other problem so far as railway transportation is concerned. The question of the classification of freight rates, the question of the readjustment of rates on different commodities, and all matters of this kind can properly come before the Board of Railway Commissioners and for general discussion. But the question of the arbitrary imposition of the mountain scale rate which the people of western Canada have been paying for many years is an isolated matter that calls for independent and separate consideration. In my opinion it is a good test to ascertain where hon. members stand in relation to British Columbia and the western provinces and whether or not they have in their hearts a sympathy with the province of British Columbia for the unfair treatment to which she has been subjected so long.

Mr. John Oliver, the Premier of British Columbia, though professing to keep the question of railway rates and freight rates out of politics, has made it a great source of political benefit to himself by standing always as the champion of freight rates in British Columbia. The fact of the matter is that for 19 years, that is to say, from 1906, that province has carried on a continuous fight against this very thing; it has contended for not only equalization but also against the unfair discrimination in the mountain scale rate. The fight started under the premiership of Sir Richard McBride; and whether a Liberal or a Conservative premier has been in office—and the same would be true if a Progressive premier were possible there—the leader of every government in the province has always advocated the same thing, because the people of British Columbia stand as a unit behind the demand for an alleviation of the conditions under which they have been labouring for many years past. In a telegram of June 25, 1924, from Premier Oliver to the Prime Minister (Mr. Mackenzie King), Mr. Oliver, among other things, said:

> Responsibility for the existing discrimination as well as those which will be added must lie with the government and parliament of Canada.

That is the charge of a Liberal provincial premier against a Liberal government in Ottawa, and I say that this is an opportunity for our friends in the government, yea, in either opposition, to express themselves as to whether or not they are sympathetic on the question of a rate which is recognized on all hands as an unfair discrimination.

The evidence before the special committee also discloses that the apple producers, the lumbermen and the manufacturers pay from 10 per cent to 170 per cent more for the same service than is paid elsewhere in Canada. And all through that evidence we find innumerable facts and arguments supporting the claim of the west in this matter. The question of freight rates in Canada has been discussed

and re-discussed and argued at considerable length before committees of parliament, and it has also been threshed out in the lobbies and fully considered by delegations, so that most people are pretty well fed up with it, to use an expression of the street. They know most of the facts and most of the arguments, and it is difficult to understand why there has been any delay in dealing with it. For the last two years it has been actively before the public and has been well to the forefront in parliament. The hon. member for West Edmonton (Mr. Kennedy) introduces here a simple resolution, very clear in its terms. It declares that in the opinion of this House the mountain freight scale should be abolished in so far as it is reflected in standard mileage rates, class rates and commodity rates. What are the arguments against this? The Minister of Railways, in the responsibilities of his office, has tactfully and diplomatically contended that this is a matter to be considered at some other time. That has been the contention for nineteen years. If I understand the temper of the western people, they do not want promises; they want action, they want some indication from members representing other sections of Canada whether or not in their opinion this unfair discrimination—because no one to-day will argue to the contrary—should continue. As I pointed out to the minister (Mr. Graham) at the outset, this is an isolated, detached case of unjust freight rate discrimination. What objection therefore have hon. members to express themselves on the merits? If any member will advance a logical reason against this proposal, I will be the first to acknowledge the soundness of his reasoning; but all the evidence I have heard of experts and others who understand the question establishes beyond a reasonable doubt in my mind that the merits of this claim cannot be denied, and my suggestion is that the resolution should be brought to a vote so that hon. members present may express their sympathy and their sense of fair play towards the west. I know that over half a million people will be reading this debate in to-morrow morning's papers, and I hope they will find that other parts of confederation represented by members loyal to our institutions and friendly to every section of the country are also concerned with this mountain scale discrimination and are sensible of the justice of our case. I hope we may hear from the Maritime provinces. If you have the mountain scale of rates we would like to know about it.

Mr. CARROLL: They are mountainous.

Mr. LADNER: Well, we have never had anything else. I hope, Mr. Speaker, that this question will not be treated by the government as of only academic interest or to be set aside because of any complication that may result from its adoption, although I feel there is an inclination on their part to so treat it. I repeat, the subject matter of the resolution constitutes a distinct freight rate problem, detached from all other similar problems, and affords an excellent opportunity for hon. members to express themselves affirmatively or negatively concerning the principle involved.

Mr. D. F. KELLNER (East Edmonton): Mr. Speaker, I wish to endorse the sentiments of the member who has just taken his seat (Mr. Ladner) in support of this resolution, and I share his hope that we shall have an exhaustive discussion of the whole mountain rate structure. I too appreciate the futility of any such hope, when I look at the government benches and observe only three or four ministers present, two or three of whom I notice are watching the clock very closely and apparently intend to leave shortly. In my estimation parliament obtained the right at least to share in the fixing of rates away back in 1881 when certain subsidies were granted to the Canadian Pacific Railway. Since that time the country has entered into various undertakings with one railway company and another which I think beyond a shadow of a doubt consolidated our position, and it is worth while for us to seriously consider why the government from time to time undertook to pay subsidies and to make land grants to various railway companies. It will not be seriously argued that there was any desire on the part of the country to make somebody a present by this means; undoubtedly a substantial consideration in return was involved. It was the opinion of the rank and file of the people that that assistance would eventually be a factor in reducing freight rates. I do not think there is any question that it was understood, if it was not expressed, that at a period of financial stringency, such as we are passing through at the moment, those money and land grants would be treated by the railway companies as being in lieu of dividends. But from the very start the policy seems to have been unsuccessful. Those who have studied the situation back in 1896 find that the western farmers at that time were actually hauling their grain much further than should have been necessary to reach the Northern Pacific in Manitoba, and there are numerous resolutions from boards of trade and other organizations and from private

citizens protesting against the high freight rates and lack of transportation facilities that then prevailed. It was apparently the opinion of the country that the subsidy proposition had not been a success in bringing about low freight rates, and a new theory was advanced. It was suggested that the only way to control freight rates was by competition, and an agitation sprang up for the building of more railways, with the result that the country subsidized and bonused the Canadian Northern and the Grand Trunk Pacific. But the coming of these railways did not bring about lower rates. I do not think there is any question that the cost of construction was deliberately made sufficiently high so that low freight rates would never be enjoyed in our day and generation.

Allow me to deviate for a moment to the election of 1911, which our friends to the right take a great deal of credit to themselves at having won against the other old party on what was to all intents and purposes a tariff question. But in western Canada I do not think the tariff entered into the election at all; the people there by their votes desired to protest against the method which had been used in financing the building of the Canadian Northern and the Grand Trunk Pacific. At any rate this was the case in my section of the country. When what are to-day our National lines were projected we were promised very much better grades across the mountains than the Canadian Pacific ever had, and were led to believe that that company's engineers had made a terrific blunder when they selected the southern route through the Kicking Horse pass; and as a corollary we were promised lower freight rates. We have got the easier grades, and on what used to be the Canadian Northern our National railways can draw as heavy loads east as they can west across the mountains, but we have never seen any reduction in our rates. I do not think that the railway commission or any other body that has ever investigated the situation has argued that the present mountain scale of rates is necessary so far as the Canadian National is concerned. In fact I think I am safe in saying that the president of our National system has admitted that the mountain scale of rates is not necessary for his road, but that if he lowered his rates in that section the Canadian Pacific management would probably retaliate in some other section. If that is to be the line of argument advanced—

Mr. GRAHAM: Was that advanced?

Mr. KELLNER: I cannot say definitely, but I have been informed it was. Probably the minister would care to deny that it had been advanced?

Mr. GRAHAM: Any man can say he has heard a rumour and ask some person else to deny it. That cannot well be done. I do not know, but I would think it would be more unlikely that the president of the National railways said so than that he did not.

Mr. KELLNER: I take it then that the minister never heard the rumour?

Mr. GRAHAM: Never.

Mr. KELLNER: Whether the president of the Canadian National railways stated it or not, there is no question that it was the general opinion among those who are more or less versed in the situation as it exists in the west. Now if the rates which we are paying in the mountains are not sufficiently high for the Canadian Pacific to make at least a fair profit on the business, I cannot for the life of me see why they should be so anxious to get as large a portion of that traffic as they are handling. Take the business, for instance, from northern Alberta. A survey of the situation will convince anybody that the Canadian National Railway should have practically all that traffic. The distance is much shorter, and the grade unquestionably is much better; but if you will look over the freight returns you will find that the Canadian Pacific are handling approximately about one-half of all the business that is going out that way. It is necessary to go down to Calgary and then west from there. Certainly they are getting an excessive freight rate, or they would not carry that freight over such a circuitous and extremely difficult grade as compared with the grade on the Canadian National. If we are going to have competition for lower rates, and that used to be the theory, that competition was the only way to lower them, we have the railroads now, we have the grade, and it seems to me that now is the time to enforce competition. If that is not done, by all manner of means let us quit trying to deceive ourselves and admit that competition is not a factor in railway rates. A few years ago, for instance, when our friends to the right here were in office, they undertook to lower ocean rates by using the merchant marine. The present government has altogether discarded that idea of using the merchant marine for lowering rates, and it is going to subsidize ships. As far as railroading goes, both these methods have been tried and neither has been found any good. So it seems to me, whether or not it is worth while to discuss this question, that we must

have something different from what has already been tried, for both the methods tried up to date have failed. This whole question is one of outstanding importance, not to western Canada alone, but to the country at large.

At the time we discussed the Crowsnest pass agreement in 1922, the railroad companies put up a terrific howl about the amount of money they were going to lose if that agreement came into effect. As we look over the returns of the railroad companies since then, we find that their predictions have not come to pass at all. The railroad companies, especially in 1923, had a much better year than they had in 1922. Of course, it is only fair to state that we had an exceptionally heavy crop that year. But 1924, with a light crop, compared very favourably indeed with 1922. I do not care what question comes up for discussion, if it is of international importance at all, wheat will eventually be a factor in it, and if it is the desire of Canada to move wheat cheaply so that we can compete with other countries in the world, I do not think we can afford to ignore this mountain scale rate. I think it is also worth while to remember that wheat is not the only factor that enters into the situation. Alberta has practically an unlimited amount of coal. They also have considerable forests, and a good fur business. All these are materials which not only produce new wealth but which, if developed, will produce tonnage for our railroads.

When the hon. member for West Edmonton (Mr. Kennedy) was speaking to-night, he dwelt on one of the findings of the railway commission in which they said that in the prairie section, the long haul and the low cost of construction were some of the factors that should offset the lower rates in the east. That is only part of the situation. Certainly it must be much cheaper to get coal for the railroads in Alberta or anywhere in the mountains than in the eastern part of Canada, for it matters not where you have a depot in the west, there you have a coal mine practically beside it. Certainly it is much easier to get water for your engines in the mountains than it is in practically any part of the east. I have been told by engineers that you can get a better quality of water, water that works better in the engine and that gives no trouble in the boilers through corrosion, than you can in the east. I do not think anywhere through that mountain section they have any trouble with the engine boilers corroding. But that is not the case in the east. These are all matters which enter into the cost of railroad operation.

As far as railroad construction is concerned, I doubt if there is any part of Canada where the road was built as cheaply in the first place, and was got into as good a condition so quickly as it was across the prairies.

In conclusion, I would ask the minister not only to give this matter his attention, but to try and get the ear of his colleagues in the government and try and do the fair thing by eliminating this mountain scale in its entirety.

Mr. W. F. MACLEAN (South York): I would like to say just a word or two on this question in the way of trying to reach what the Minister of Railways (Mr. Graham) has stated. My recommendation is this: Let us get rid of these discriminations, more or less local, more or less physical, one after the other, and when we have cleared a lot of them out of the way it will be easier and smoother to deal with the wider problems stated by the Minister of Railways, namely, to create a freight rate structure fair to all; and one of the first duties of parliament is to achieve, if possible, competition between the two roads, after they have been compelled to give up unnecessary services.

I think that is a solution. We must not put this question over, but try and deal with it now, taking up one difficulty after the other, first, the mountain rate, then the others, with the end in view of achieving a real freight rate structure. Now that might take some time, but the first thing to do is to tackle the problem at some point and begin to remove the difficulties one after the other.

Hon. H. H. STEVENS (Vancouver Centre): I feel that it is my duty to say a few words in regard to this resolution introduced by the hon. member for West Edmonton (Mr. Kennedy).

As I read the resolution, its intent is limited to an expression of opinion by the House that the mountain scale should be abolished. That is very simple, it is true, but I also appreciated the observations of the Minister of Railways (Mr. Graham) when he pointed out that this is simply one of many problems. I cannot quite reconcile, however, what the minister has said in regard to this question and his inability to give the House any opinion upon the stand the government purposes taking, with a despatch I read in the press to-night, in the Ottawa Citizen, which carries a statement from Vancouver, by Mr. McGeer, who is counsel for the province of British Columbia on this very question and the allied question of freight rates in general. Mr. McGeer in the interview, which I shall read in a moment, states that he has just returned from the capital where last week he was assured by the

highest authority that the government purposes to bring about a measure of equalization of freight rates which will eliminate the western discrimination. In other words, he states that he has assurances that the government will equalize rates. I do not know just what that word "equalize" includes within its meaning. Mr. McGeer also refers, as will be noted, to discriminations. But he also referred, as will be noticed, to western discrimination. The western discrimination complained of by the people of British Columbia, and by Mr. McGeer in particular, is, of course, this mountain scale. That is the main discrimination which Mr. McGeer complained of. Now then, he tells the people of British Columbia, who have retained him as counsel, that he has these assurances from the government.

Mr. GRAHAM: Did he say "the government"?

Mr. STEVENS: Well, I will read the despatch. Virtually nothing else can be meant but the government unless this is simply a deliberate effort to mislead the public. I will quote it exactly as it is here, and it is here quoted as if it were given by Mr. McGeer himself. It is dated Vancouver, February 23 and Mr. McGeer is speaking:

> "I am satisfied from assurances received from the highest sources that it is the intention of the government to bring about a measure of equalization of railway freight rates that will eliminate western discrimination", stated G. G. McGeer, K.C., British Columbia counsel in the freight rates case, upon his return here last night from Ottawa.

Now, I do not know any higher source than the illustrious and benign Minister of Railways. So I am bound, in my respect for the Minister of Railways, my knowledge of his influence and his power, and also his deep regard for Mr. McGeer to come to the conclusion that Mr. McGeer would not have dared to ascribe "the highest source" to any other individual than to the Minister of Railways. So I say I have difficulty in harmonizing this statement—

Mr. GRAHAM: I am not surprised.

Mr. STEVENS: —of the counsel of British Columbia, with the minister's statement a moment ago that he was unable to give an utterance to the House regarding equalization. I want to say to the minister that I feel he ought to give to the House quite as full information as to the intentions of the government as he would give to Mr. McGeer.

Mr. GRAHAM: I hasten to say that he has.

[Mr. Stevens.]

Mr. STEVENS: Then am I to understand that this statement is moonshine?

Mr. GRAHAM: I do not know what moonshine is.

Mr. STEVENS: I would not like to ascribe to the minister such absolute innocence as that. At any rate, joking aside, am I to infer that this is an inaccurate statement and not a statement of fact?

Mr. GRAHAM: I would not pass judgment on it. I would say if I am "the highest authority" it is inaccurate.

Mr. STEVENS: I thank the minister for his statement, I think that is perfectly fair. I appreciate and to the full the complex nature of this problem. The question of freight rate structure is perhaps the most intricate problem in all the realm of economics. I know of nothing more intricate and nothing more complex, and I want to say further while we have this subject before us—that in my opinion, after fourteen years of intimate study as a layman of the problem, and after repeatedly bringing it to the attention of the House as I have for many years, I have come to the conclusion that this parliament, sitting as a body, can never expect to unravel and determine what is exactly the correct scale of freight rates to be charged in various parts of the country. I think it is an utterly hopeless task for a body of this kind, but I do believe that a solution will be found only when the people of this country at large entertain in the railway commission, or some other body erected of that character, complete confidence and give to it the problem for its decision. Now, I apprehend this: That a large portion of the dissatisfaction through Canada arose, perhaps, four or five years ago because of an agitation against certain utterances of members of the railway board. I am not passing any judgment in the matter; the gentleman who was particularly charged with giving utterance to unfair or prejudiced views is now dead—I refer to the late Hon. Mr. Carvell. I am not for one moment joining in the hue and cry that went on in this country against the chairman of the railway commission, the late Mr. Carvell, but there is no doubt that that hue and cry, the attacks made upon him—attacks made by men of very high standing within certain limits perhaps, such as the Minister of Agriculture—attacks that were made in many sections of the country against him, did undermine confidence in an institution that hitherto had held the unbounded confidence of the people of Canada at large, and from that time extreme difficulty has been ex-

perienced in connection with this question. You meet the public and suggest to them that the proper body to decide this technical subject is the railway board. The immediate reply is "We have no confidence in the railway board", and I recall, Sir, and I know other members of the House will recall, where, time after time, resolutions were passed by boards of trade, chambers of commerce, and various public bodies, expressing a lack of confidence in the railway board. This I think was the most unfortunate, the most disastrous thing that has happened in recent years in connection with the administration of affairs throughout the country. However, we have that condition.

At the same time we have a deep rooted conviction in the minds of a large section of the public that they have grievances. For instance, taking people in British Columbia, nothing in the world would persuade them that a grave injustice is not being done in connection with this mountain scale. They have a deep rooted conviction on the subject and, I may say, based upon very sound grounds. Then our friends from the Maritime provinces, consider, and I have a good deal of sympathy with their view as well, looking at railway freight rates from their particular angle, that they also have a grievance—that rates have been increased, and increases in recent years have been made, beyond the point which they consider as justified by the arrangements under which they entered into confederation, and so we have criticism.

As an illustration, of the complexity of the problem, and also of the futility of public agitation in dealing with this problem, I have a most illuminating statement before me showing in the case of a number of articles, some seven articles in all, the fact that by the Crowsnest pass rates the consumer got absolutely no benefit at all. These are the chief articles affected by the westward rates. For instance I have here statements regarding barbed wire, bar iron, building paper, common ploughs, nails, spikes and window glass, and of course the same thing applies to innumerable other articles. The reason I am bringing this forward is because certain sections of western Canada claim, to use the language of Mr. Symington, that the Crowsnest pass agreement is "the charter of the prairie provinces." I think he describes it as "a charter of liberty." I should like this illuminating statement to appear on Hansard. It is as follows:

BARBED WIRE

COMPARISON of Jobbers' prices to retailers, on barb wire, based on carload rate, at the undermentioned points; also comparison between differences in price and differences in freight costs.

Period ending 1924	At WINNIPEG	REGINA				CALGARY				EDMONTON			
			Difference over Winnipeg				Difference over Winnipeg				Difference over Winnipeg		
	Price Including Freight Cost	Price Including Freight Cost	In Price	In Crowsnest Freight Cost	In Present Freight Cost	Price Including Freight Cost	In Price	In Crowsnest Freight Cost	In Present Freight Cost	Price Including Freight Cost	In Price	In Crowsnest Freight Cost	In Present Freight Cost
	$	$	c.	c.	c.	$	c.	c.	c.	$	c.	c.	c.
June 30	4 10	4 50	40	24	35	4 70	60	48	73	4 70	60	72	73
July 15	3 95	4 25	30	24	35	4 70	75	48	73	4 70	75	72	73
July 30	3 95	4 25	30	24	35	4 70	75	48	73	4 70	75	72	73
Aug. 15	3 95	4 25	30	24	35	4 70	75	48	73	4 70	75	72	73
Aug. 31	3 95	4 25	30	24	35	4 70	75	48	73	4 70	75	72	73
Sept. 15	3 95	4 25	30	24	35	4 70	75	48	73	4 70	75	72	73
Sept. 30	3 95	4 25	30	24	35	4 70	75	48	73	4 70	75	72	73
Oct. 15	3 95	4 25	30	24	35	4 70	75	48	73	4 70	75	72	73
Oct. 30	3 95	4 25	30	24	35	4 70	75	48	73	4 70	75	72	73
Nov. 15	3 95	4 25	30	24	35	4 70	75	48	73	4 70	75	72	73
Nov. 30	3 95	4 25	30	24	35	4 70	75	48	73	4 70	75	72	73

During the time above noted the Crowsnest reductions were in force from 7th July to 27th October, inclusive. On June 30 and October 30 the ordinary rates prevailed.

It will be observed that at Calgary the price of the article remained constant and did not drop during the period of reduced freight rates, showing that the reduction was of no benefit to the consumer. It is believed the variation in price at other points was due to other factors than freight rates.

The above computations of freight cost are based on a roll of Lyman 4-Point Barb Wire, 80 rods, weighing 85 pounds, and taking the freight rates from Fort William to points named.

BAR IRON

COMPARISON of Jobbers' prices to retailers, on Bar Iron, based on carload rate, at the undermentioned points; also comparison between differences in price and differences in freight costs

Period ending 1924	At WINNIPEG	REGINA				CALGARY				EDMONTON			
	Price Including Freight Cost	Price Including Freight Cost	Difference over Winnipeg			Price Including Freight Cost	Difference over Winnipeg			Price Including Freight Cost	Difference over Winnipeg		
			In Price	In Crowsnest Freight Cost	In Present Freight Cost		In Price	In Crowsnest Freight Cost	In Present Freight Cost		In Price	In Crowsnest Freight Cost	In Present Freight Cost
	$	$	c.	c.	c.	$	c.	c.	c.	$	$	c.	c.
June 30	4 90	5 40	50	32	41	5 45	55	60	87	5 95	1 06	87	87
July 15	4 90	5 40	50	32	41	5 45	55	60	87	5 00	0 10	87	87
July 30	4 90	5 40	50	32	41	5 45	55	60	87	5 00	0 10	87	87
Aug. 15	4 90	5 40	50	32	41	5 45	55	60	87	5 00	0 10	87	87
Aug. 31	4 90	5 40	50	32	41	5 45	55	60	87	5 00	0 10	87	87
Sept. 15	4 90	5 40	50	32	41	5 45	55	60	87	5 00	0 10	87	87
Sept. 30	4 75	5 40	65	32	41	5 45	70	60	87	5 00	0 25	87	87
Oct. 15	4 75	5 40	65	32	41	5 45	70	60	87	5 00	0 25	87	87
Oct. 30	4 75	5 40	65	32	41	5 45	70	60	87	5 00	0 25	87	87
Nov. 15	4 75	5 25	50	32	41	5 45	70	60	87	5 00	0 25	87	87
Nov. 30	4 75	5 25	50	32	41	5 45	70	60	87	5 00	0 25	87	87

During the time above noted the Crowsnest reductions were in force from 7th July to 27th October, inclusive. On June 30th and October 30th, and subsequently, ordinary rates prevailed.

At Winnipeg the price did not drop when the reduced rates became effective; there was a reduction Sept. 30th which has been maintained subsequent to the restoration of the higher ordinary rates.

At Regina the price remained constant and did not drop during the period of reduced rates, showing that the reduction was of no benefit to the consumer. Since the reduced rates were cancelled the price has dropped.

At Calgary the price has remained constant before, during, and subsequent to, the period of reduced Crowsnest rates, showing that the reduced rates were of no benefit to the consumer.

It is very evident from the Edmonton figures that the reduction in price July 15th had no relation whatever to freight costs as the price was reduced 95 cents per 100 lbs., while there was no reduction in freight rate.

It will be further noted that the prices at Regina, Calgary and Edmonton bear no relation to the Winnipeg price (including freight cost) plus the additional freight cost over Winnipeg to these points.

The above computations of freight cost are based on 100 lbs. of $\frac{3}{4}$-inch round bar iron, and taking the rates from Fort William to the points named.

BUILDING PAPER

COMPARISON of Jobbers' prices to retailers on Building Paper, based on carload rate, at the undermentioned points; also comparison between differences in price and differences in freight costs

Period ending 1924	At WINNIPEG	REGINA				CALGARY				EDMONTON			
		Price Including Freight Cost	Difference over Winnipeg			Price Including Freight Cost	Difference over Winnipeg			Price Including Freight Cost	Difference over Winnipeg		
	Price Including Freight Cost		In Price	In Crowsnest Freight Cost	In Present Freight Cost		In Price	In Crowsnest Freight Cost	In Present Freight Cost		In Price	In Crowsnest Freight Cost	In Present Freight Cost
	$	$	c.	c.	c.	$	c.	c.	c.	$	c.	c.	c.
June 30	1 20	1 10	− 10	07	10	1 40	20	14	21½	1 15	− 05	21	21½
July 15	95	1 10	+ 15	07	10	1 40	45	14	21½	1 00	+ 05	21	21½
July 30	95	1 10	15	07	10	1 35	40	14	21½	1 00	05	21	21½
Aug. 15	95	1 10	15	07	10	1 35	40	14	21½	1 00	05	21	21½
Aug. 31	95	1 10	15	07	10	1 35	40	14	21½	1 00	05	21	21½
Sept. 15	95	1 10	15	07	10	1 35	40	14	21½	1 00	05	21	21½
Sept. 30	95	1 10	15	07	10	1 40	45	14	21½	1 00	05	21	21½
Oct. 15	95	1 10	15	07	10	1 40	45	14	21½	1 00	05	21	21½
Oct. 30	95	1 10	15	07	10	1 40	45	14	21½	1 00	05	21	21½
Nov. 15	95	1 10	15	07	10	1 40	45	14	21½	1000	05	21	21½
Nov. 30	95	1 10	15	07	10	1 40	45	14	21½	1 00	05	21	21½

During the time above noted the Crowsnest reductions were in force from 7th July to 27th October, inclusive. On June 30th and on October 30th, and subsequently, the ordinary rates prevailed.

The variation in prices at the different points would indicate that they apparently bear little or no relation to differences in freight costs. At Regina the price of the article remained constant and did not drop during the period of reduced freight rates, showing that the reduction was of no benefit to the consumer. Note the fluctuations at Calgary as compared with the lower prices at Edmonton, where the Crowsnest rates were higher; also that the price at Edmonton was only 5c. per roll over Winnipeg, although the difference in freight cost was 21c.

The above computations of freight cost are based on a roll of Marshall & Wells "Anchor" Building paper, weighing 25 pounds, and taking the freight rates from Fort William to points named.

COMMON PLOUGHS

COMPARISON of Jobbers' prices to retailers, on Common Ploughs, based on carload rate, at the undermentioned points; also comparison between differences in price and differences in freight cost.

Period ending 1924	At WINNIPEG	REGINA				CALGARY				EDMONTON			
			Difference over Winnipeg				Difference over Winnipeg				Difference over Winnipeg		
	Price Including Freight Cost	Price Including Freight Cost	In Price	In Crowsnest Freight Cost	In Present Freight Cost	Price Including Freight Cost	In Price	In Crowsnest Freight Cost	In Present Freight Cost	Price Including Freight Cost	In Price	In Crowsnest Freight Cost	In Present Freight Cost
	$	$	c.	c.	c.	$	$	c.	$	$	$	$	$
June 30	26 63	27 38	75	36	49	28 13	1 50	74	1 08	28 13	1 50	1 05	1 08
July 15	26 63	27 38	75	36	49	28 13	1 50	74	1 08	28 13	1 50	1 05	1 08
July 31	26 63	27 38	75	36	49	28 13	1 50	74	1 08	28 13	1 50	1 05	1 08
Aug. 15	26 63	27 38	75	36	49	28 13	1 50	74	1 08	28 13	1 50	1 05	1 08
Aug. 31	26 63	27 38	75	36	49	28 13	1 50	74	1 08	28 13	1 50	1 05	1 08
Sept. 15	26 63	27 38	75	36	49	28 13	1 50	74	1 08	28 13	1 50	1 05	1 08
Sept. 30	26 63	27 38	75	36	49	28 13	1 50	74	1 08	28 13	1 50	1 05	1 08
Oct. 15	26 63	27 38	75	36	49	28 13	1 50	74	1 08	28 13	1 50	1 05	1 08
Oct. 30	26 63	27 38	75	36	49	28 13	1 50	74	1 08	28 13	1 50	1 05	1 08
Nov. 15	26 63	27 38	75	36	49	28 13	1 50	74	1 08	28 13	1 50	1 05	1 08
Nov. 30	26 63	27 38	75	36	49	28 13	1 50	74	1 08	28 13	1 50	1 05	1 08

During the time above noted the Crowsnest reductions were in force from 7th July to 27th October, inclusive. On June 30 and October 30, and subsequently, the ordinary rates prevailed.

The price of the article remained constant and did not drop during the period of reduced rates, showing that the reduction was of no benefit to the consumer.

It will also be noted that at Regina, Calgary and Edmonton the price in each case exceeds the Winnipeg price by a sum greater than the additional freight cost over Winnipeg to these points.

The above computations of freight cost are based on a Hamilton, No. 123, 12-inch walking plough weighing 135 lbs. and taking the freight rates from Fort William to points named.

NAILS

COMPARISON of Jobbers' prices to retailers on Nails, based on carload rate, at the undermentioned points; also comparison between differences in price and differences in freight costs

Period ending 1924	At WINNIPEG	REGINA				CALGARY				EDMONTON			
	Price Including Freight Cost	Price Including Freight Cost	Difference over Winnipeg			Price Including Freight Cost	Difference over Winnipeg			Price Including Freight Cost	Difference over Winnipeg		
			In Price	In Crowsnest Freight Cost	In Present Freight Cost		In Price	In Crowsnest Freight Cost	In Present Freight Cost		In Price	In Crowsnest Freight Cost	In Present Freight Cost
	$	$	c.	c.	c.	$	$	c.	c.	$	$	c.	c.
June 30	5 20	5 55	35	31	44	6 00	0 80	60	92	6 00	0 80	89	92
July 15	5 05	5 40	35	31	44	6 00	0 95	60	92	6 00	0 95	89	92
July 30	5 05	5 40	35	31	44	6 00	0 95	60	92	6 00	0 95	89	92
Aug. 15	5 05	5 40	35	31	44	6 00	0 95	60	92	6 00	0 95	89	92
Aug. 31	6 05	5 40	35	31	44	6 00	0 95	60	92	6 00	0 95	89	92
Sept. 15	5 05	5 40	35	31	44	6 00	0 95	60	92	6 00	0 95	89	92
Sept. 30	5 05	5 40	35	31	44	6 00	0 95	60	92	6 00	0 95	89	92
Oct. 15	5 05	5 25	20	31	44	6 00	0 95	60	92	6 00	0 95	89	92
Oct. 30	4 85	5 25	40	31	44	6 00	1 15	60	92	6 00	1 15	89	92
Nov. 15	4 85	5 20	35	31	44	5 90	1 05	60	92	6 00	1 15	89	92
Nov. 30	4 85	5 20	35	31	44	5 90	1 05	60	92	6 00	1 15	89	92

During the time above noted the Crowsnest reductions were in force from 7th July to 27th October, inclusive. On June 30th and October 30th, and subsequently, the ordinary rates prevailed.

It will be noted that at Winnipeg, Regina and Calgary there has been a reduction in price since the reduced Crowsnest rates were cancelled and the higher ordinary rates restored. The reduction in price of 15c. per keg at Winnipeg between June 30 and July 15 was in excess of twice the difference in freight cost resulting from the lower Crowsnest rate. At Calgary the price of the article remained constant and did not drop during the period of reduced rates, showing that the reduction was of no benefit to the consumer, although subsequent to the cancellation of the reduced rates, and the restoration of the higher rates, the price at Calgary has dropped 10c. per keg.

The above computations of freight cost are based on a keg of 2½-inch wire nails, weighing 107 lbs. and taking the freight rates from Fort William to the points named.

SPIKES

COMPARISON of Jobbers' prices to retailers on Spikes, based on carload rate, at the undermentioned points; also comparison between differences in price and differences in freight costs

Period ending 1924	At WINNIPEG	REGINA				CALGARY				EDMONTON			
			Difference over Winnipeg				Difference over Winnipeg				Difference over Winnipeg		
	Price Including Freight Cost	Price Including Freight Cost	In Price	In Crows-nest Freight Cost	In Present Freight Cost	Price Including Freight Cost	In Price	In Crows-nest Freight Cost	In Present Freight Cost	Price Including Freight Cost	In Price	In Crows-nest Freight Cost	In Present Freight Cost
	$	$	c.	c.	c.	$	$	c.	c.	$	$	c.	c.
June 30	4 95	5 15	20	31	44	5 75	0 80	60	92	5 75	0 80	89	92
July 15	4 80	5 15	35	31	44	5 75	0 95	60	92	5 75	0 95	89	92
July 30	4 80	5 15	35	31	44	5 75	0 95	60	92	5 75	0 95	89	92
Aug. 15	4 80	5 15	35	31	44	5 75	0 95	60	92	5 75	0 95	89	92
Aug. 31	4 80	5 15	35	31	44	5 75	0 95	60	92	5 75	0 95	89	92
Sept. 15	4 80	5 15	35	31	44	5 75	0 95	60	92	5 70	0 90	89	92
Sept. 30	4 80	5 15	35	31	44	5 75	0 95	60	92	5 70	0 90	89	92
Oct. 15	4 80	5 15	35	31	44	5 75	0 95	60	92	5 70	0 90	89	92
Oct. 30	4 60	5 15	55	31	44	5 75	1 15	60	92	5 70	1 10	89	92
Nov. 15	4 60	4 95	35	31	44	5 65	1 05	60	92	5 70	1 10	89	92
Nov. 30	4 60	4 95	35	31	44	5 65	1 05	60	92	5 70	1 10	89	92

During the time above noted the Crowsnest reductions were in force from 7th July to 27th October, inclusive. On June 30th and October 30th, and subsequently, the ordinary rates prevailed.

It will be noted that at Winnipeg, Regina and Calgary there has been a reduction in price since reduced rates were cancelled and the ordinary rates restored. The reduction in price of 15 cents per keg at Winnipeg between June 30th and July 15th was in excess of twice the difference in freight cost resulting from the lower Crowsnest rate.

At Regina and Calgary the price of the article remained constant and did not drop during the period of reduced rates, showing that the reduction was of no benefit to the consumer, although subsequent to the cancellation of the reduced rates and the restoration of the ordinary rates the price has dropped 20 cents per keg at Regina and 10 cents per keg at Calgary.

The above computations of freight cost are based on a keg of 4-inch spikes weighing 107 pounds and taking the freight rates from Fort William to the points named.

WINDOW GLASS

COMPARISON of Jobber's prices to retailers, on Window Glass, based on carload rate, at the undermentioned points; also comparison between differences in price and differences in freight costs.

Period ending 1924	At WINNIPEG	REGINA				CALGARY				EDMONTON			
			Difference over Winnipeg				Difference over Winnipeg				Difference over Winnipeg		
	Price Including Freight Cost	Price Including Freight Cost	In Price	In Crowsnest Freight Cost	In Present Freight Cost	Price Including Freight Cost	In Price	In Crowsnest Freight Cost	In Present Freight Cost	Price Including Freight Cost	In Price	In Crowsnest Freight Cost	In Present Freight Cost
	$	$	$	c.	c.	$	$	c.	$	$	$	$	$
June 30	16 75	18 30	1 55	44	64	18 65	1 90	88	1 33	18 65	1 90	1 29	1 33
July 15	15 85	18 30	2 45	44	64	18 65	2 80	88	1 33	17 75	1 90	1 29	1 33
July 30	15 85	18 30	2 45	44	64	17 75	1 90	88	1 33	17 75	1 90	1 29	1 33
Aug. 15	15 85	18 30	2 45	44	64	17 75	1 90	88	1 33	17 75	1 90	1 29	1 33
Aug. 31	15 85	17 40	1 55	44	64	17 75	1 90	88	1 33	17 75	1 90	1 29	1 33
Sept. 15	15 85	17 40	1 55	44	64	16 20	1 35	88	1 33	16 20	1 35	1 29	1 33
Sept. 30	15 85	17 40	1 55	44	64	16 20	1 35	88	1 33	16 20	1 35	1 29	1 33
Oct. 15	15 85	17 40	1 55	44	64	16 20	1 35	88	1 33	16 20	1 35	1 29	1 33
Oct. 30	15 85	17 40	1 55	44	64	16 20	1 35	88	1 33	16 20	1 35	1 29	1 33
Nov. 15	15 85	17 40	1 55	44	64	16 20	1 35	88	1 33	16 20	1 35	1 29	1 33
Nov. 30	15 85	17 40	1 55	44	64	16 20	1 35	88	1 33	16 20	1 35	1 29	1 33

During the time above noted the Crowsnest reductions were in force from 7th July to 27th October, inclusive. On June 30th and October 30th, and subsequently, the ordinary rates prevailed.

At Winnipeg there was only one price change during this whole period, i.e. a reduction of 90 cents per case between June 30th and July 15th, but this was materially in excess of the difference in freight cost resulting from the reduced freight rates, and it will be noted there has been no increase in price since the reduced rates were cancelled.

At Regina, Calgary and Edmonton the price changes have not synchronized with changes in freight costs. It will be further noted that the prices at these points bear no relation to the Winnipeg price (including freight cost) plus the additional freight cost over Winnipeg to these points.

The above computations of freight cost are based on a case of double diamond, 60 united inches, window glass, weighing 155 lbs. and taking the freight rates from Fort William to the points named.

Mr. KELLNER: Referring to the comparative prices and rates on barb wire as set out in the first table, at the time the Crowsnest pass agreement came into effect July 7th, did this commodity suffer a decrease in price?

Mr. STEVENS: No, the fact is exactly as I have stated.

Mr. LUCAS: With reference to the comparison of jobbers' prices to retailers for common ploughs who got the benefit of the reduced rates?

Mr. STEVENS: It was secured by the jobber, I presume. Neither the consumer nor the retailer derived any benefit.

Mr. CARROLL: What are these prices the hon. member has been quoting?

Mr. STEVENS: Jobbers' prices to retailers.

Mr. FORKE: Would the hon. member mention binder twine?

Mr. STEVENS: I have not it here.

Mr. FORKE: Would you permit a statement as to that?

Mr. STEVENS: Permit me to say this: I am not presuming to cover all the cases. I am giving certain cases and I certainly have not under my hand the item the hon. member mentions.

Mr. FORKE: I cannot prove this, but a certain dealer told me he saved a hundred dollars on an order of twine from Fort William to Pipestone under the Crowsnest pass rates.

Mr. STEVENS: All the jobbers saved that. The hon. gentleman has struck the point. All of these jobbers saved the freight rates, but when the commodity was passed on to the retailers the prices were sustained and there was no reduction. That is the point. So that the consumer, who after all is the one we must consider, obtained no advantage from the rate reductions.

Mr. MORRISON: These jobbers obtained the heaviest part of their supply early in the year, and they could not reduce the price till they disposed of their stock because it cost them a higher rate.

Mr. STEVENS: That may be. People speak of the value of the Crowsnest rates, and argue about the freight rates, and I am offering these items as striking examples of the futility of the argument to which I have referred.

Mr. BROWN: You would not like to assert that the increase or reduction of freight rates does not ultimately redound to the disadvantage or the benefit of the consumer. If the argument means anything it means that these changes have no influence at all.

Mr. STEVENS: My hon. friend is unfortunately following a course that others have pursued; when a statement is produced—and I am producing such a statement—they try to put in my mouth a line of argument I am not seeking to make at all. I understand that undoubtedly the amount of the freight rate on an article ultimately affects the price of the article; but I want to point out that sometimes people attach a great deal of importance to and make almost a national issue of some secondary point as to the application of rates here and there, and wake up to find that no distinct advantage has accrued from it at all. That is all I was seeking to argue.

I want to impress upon the House that this whole problem is such a complicated one that it would be far better if this House could address itself to the necessity of restoring confidence in a body qualified to deal with the whole technical situation and direct that body. I believe absolutely in the railway board and without reserve in the railway board, and I think that we should restore confidence in it. If we have not confidence in that railway board, then we should erect a body in which we would have confidence and place this great problem of railway freight rates in their hands.

It is claimed and claimed correctly that the Railway Act is the guiding power, that is it controls and directs to a degree, and, shall I say, limits the power of the railway board. I realize that and I think perhaps this is the point that must be determined by this House; that in the Railway Act parliament declares that there shall be no unfair, unjust or unreasonable discrimination, and from these adjectives, these qualifying words, "unfair, unreasonable or unjust," arises a great deal of the trouble. Parliament is asked sometimes—indeed I recall a few years ago I asked parliament myself, by presenting a bill in this House—to declare that there shall be no discrimination at all. But I realize, after more complete study of the problem, that parliament could not fix it with safety in that form, because, if you fix the rate structure so that there will be absolutely no discrimination, you lead gradually into these schools of thought in regard to railway rates who hold to this, that the rate on a ton of silk should not be more than the rate on a ton of coal, because the weight carried on the railway is the same.

For instance, to put it, perhaps, not in such an extreme manner, there are certain grades of ore high priced, or, let us say, carrying values of gold or copper that call for a higher rate than a low grade type of ore, and the argument is advanced sometimes: Why should this more valuable product which weighs exactly the same as regards a ton weight, as the less valuable ore, carry a higher rate of freight? But these differences in classification must occur if we are going to function as a country at all, and everybody knows that. I do not know how many classifications there are. When you separate them into their atoms, they run into thousands, so that it is an utter impossibility for this House to determine exactly what rate shall be charged here or there or upon this or that article.

It might be claimed by some that my argument is against the resolution. It is not against the resolution. I stand behind this idea, that when a given arbitrary rate known as the mountain scale is shown to be inequitable and unfair, it should be removed, just as I say, in regard to other sections of Canada where it can be shown that a rate is unfair, then that rate should not be sustained. But I do not think it is the part of parliament to decide what is fair or is not fair in the question of rates. I do not want to be too critical of the government. This is not a motion in regard to which we can assume, as we often do, the role of a harsh critic of the government. I do not say this unkindly, but I am a little disappointed that the minister has not given to the House a somewhat fuller and more complete idea of the mind of the government in regard to this and kindred subjects. We have a somewhat nebulous suggestion in the Speech from the Throne that if we are good boys, we may expect at some time during the session an utterance by the government. I do not know of any better time than on this resolution. We are intensely interested and worried in British Columbia over this problem. I could go into detailed figures, but I do not wish to do so. Suffice it to say this: let us take, for instance, the movement of grain; the export rate on grain from the prairies to the coast is about double the same rate eastward. I cannot, for the life of me, see the justification for that, and these are things that are alarming, disturbing the people, that are worrying the people in business who are seeking to take advantage of natural and geographical situations. I know that the officers of the two great systems of railways, the Canadian Pacific and the Canadian National, are intensely concerned over this whole question of railway freight rates. It is unwise that we should drift along much longer without coming to some definite conclusion.

Before I sit down, let me repeat very briefly what I said a year ago with regard to this question. This structure that we call the freight rates tariff is the growth of probably half a century going through various phases of development, but I have discovered, in my study of the problem, that it has largely been directed and influenced by a desire on the part of those who have fixed the rates, to develop Canada. What was a good thing for the development of Canada, say twenty-five years ago, when the prairies were sparsely settled might not be an equitable or fair or proper thing to-day. Another point is this, that when our present system of freight-rate making was not inaugurated, but like Topsy, just grew, there was a distribution from the east westward and no distribution from the west eastward. With the construction and completion of the Panama canal in 1915, there was thrust, shall I say, into the whole problem an entirely new factor, in fact, an element that completely changed the principle upon which freight rates should be fixed. What do we find now? We have now the opportunity of distributing freight from two seaboards inward. What I want to suggest to this House is this: Whether we undertake a very detailed consideration of the problem or not, I believe this principle must be adopted in Canada for the fixation of freight rates, and that is the distribution of freight from the two seaboards inward. That, I think, is a basic, underlying, fundamental principle. If it is, there is no doubt that there will be vast, radical and almost revolutionary changes in some of the rates that are charged. But while I give utterance to this principle in, perhaps, a very general manner, I also realize that when I say there must be a revolutionary change in our freight rates structure, I am touching a very delicate and complicated question. It is a question too delicate and complex for this parliament to deal with. I hope I have made my position clear. If this resolution comes to a vote, I certainly am in favour of it as it stands, but I agree in a large measure with the minister that this whole question must be considered. For instance, I am faced with this possibility —and I want my hon. friend who proposes the resolution to recognize it—if you bring about a lowering in given rates, for example in British Columbia, we are at present enjoying certain other rates that are very much below that horizontal line to which we would like to bring these higher rates and it is only reasonable to expect that others will want to

bring those lower rates up. I am not unreasonable; I cannot expect, if we are going to lower certain rates, that we are going to retain at the same time the lower and advantageous rates that we have on other commodities. So, while I do support the resolution in lowering or removing the mountain scale, I would like to put the rider on it that in doing that, we are not going to raise the commodity rates, for instance, on fruit, lumber, fish and some other commodities upon which we enjoy very favourable and advantageous rates. That again injects into the consideration of this problem its very complexity and difficulty. I rose simply to declare my general position in connection with the proposal before the House.

Mr. AIME DECHENE (Montmagny) (Translation): Mr. Speaker, we have been listening, for the last few hours, to the views on freight rates expressed by our colleagues from the west. As it was so lucidly stated by the Minister of Railways (Mr. Graham) there also exists a question of freight rates in the eastern provinces. Unfortunately, the members from the Maritime provinces are not here to-night, to air their grievances. However, the government is perfectly aware that the province of Quebec asks for a readjustment of freight rates. When the Prime Minister paid a visit to Quebec, about a month ago, at a banquet given in his honour, an hon. legislative councillor in proposing the health of the Prime Minister, (Mr. Mackenzie King) reminded him that there existed in a number of districts in our province, discrepancies of freight rates absolutely unjustifiable which had to be done away with as soon as possible. For instance, there is on the south shore below the Quebec bridge, two railways almost parallel: the old Intercolonial line which extends from the Maritime provinces to Montreal, and, further inland, at a distance of fifteen to twenty miles, the Transcontinental railway. These two lines are under the management of the Canadian National Railways.

What do we find on the sections of these two lines between New Brunswick and the Quebec bridge? Two railways in two different valleys.

The old Intercolonical railway which extends along the river as far as the Quebec bridge, has in a number of localities quite steep grades to climb and especially between Levis station and the Quebec bridge. There also exists quite a perceptible grade from the town of Montmagny on, in the direction of St. Charles, in the county of Bellechasse. There are practically no grades on the Transcontinental. Nevertheless what do we find? That the rates are much higher than those of the Intercolonial, and this for the same distance. Therefore, a discrimination exists which is to the disadvantage of the parishes occupying the centre of the counties of Temiscouata, Kamouraska, L'Islet, Montmagny, Bellechasse, Dorchester and Levis. Why this difference? It is evidently based upon a decision—probably fair—of the railway commission. This difference, however, should disappear at the same time as the high freight rates of the mountainous regions of British Columbia and Alberta.

Our farmers and settlers north of Quebec, along the Transcontinental, who have established themselves near the railway passing through Cochrane and Amos and reaching the Quebec bridge, a line which requires little traction, have also to suffer from freight rates that are not proportional to those of the railways which run close to the shores of the St. Lawrence. Therefore, a discrimination exists which paralyzes the development of the northern part of the province of Quebec.

If we now cross to the other side of the river, this discrimination against the Transcontinental, in the five or six counties surrounding Levis, also hinders the development of a number of thriving parishes. It is impossible to open up the centre of Montmagny, Bellechasse and L'Islet, if the freight rates are not lowered to the level of those given to our competitors along the Intercolonial railway, where these two lines are hardly fifteen miles apart. Why?

Should the government come to the conclusion that there exists sufficient ground to readjust the freight rates for the west, we, from the province of Quebec, ask to be as fairly dealt with.

Why two different rates for the same distance, on two parallel lines in the same counties?

We have noticed that, within the last years, under the plea of economy, some passenger trains had been discontinued on the Canadian National railways running through the counties on the south shore. The present service is so defective, so far as passenger and baggage are concerned, that it is almost impossible to travel. This is what, for instance, business men do who have to reach the parishes in the centre of these counties: They travel by the old Intercolonial line and hire cabs to bring them to the various places at which the Transcontinental stops.

We requested better service from the management of the National Railways, but without success, we were told that we had to practise economy.

On the other hand we notice, in certain neighbouring provinces, that the passenger service is better than in the province of Quebec. However, it is very costly. The relative number of passengers carried by these trains from New Brunswick, Nova Scotia or from Ontario is less than that of the province of Quebec. There are, Sir, two provinces which by themselves alone supply the greatest part of the country's traffic: the provinces of Quebec and Ontario. They supply almost forty per cent of all railway traffic.

We, from the province of Quebec, living on the south shore, if we consider the traffic service of the old Intercolonial or lines making up the Canadian National railway system, find that this part of the system from St. Rosalie to Campbellton brings in millions of dollars in profits, while there is a deficit in the service between Campbellton and Halifax. Shall we allow the spending in other provinces which have a better service than ours, of the profits realized in our own province?

I say there is a flaw in the service, and when the time comes to fully consider this question, when the time comes to submit our claims to the government, I can assure you that we, belonging to Quebec, shall have our eyes open. If rights and privileges are claimed, we shall equally request what we shall call rights or rather what will be mentioned throughout the country as privileges; but we do not think that, so far as we are concerned, one can call this privilege, because we dig down into our pockets so to maintain our lines, and, if we supply the freight, the least that we can expect is that this money be spent at home.

Now Sir, the hon. member (Mr. Stevens) who has just preceded me in this debate has hinted at a state of things which we are too often apt to forget. These gentlemen from British Columbia are at a disadvantage—I quite believe it—in some localities, in certain trades, owing to the existing high freight rates; but they have not admitted as frankly as the hon. member has just done that they have freight rates on certain items which are much below those we pay in the east.

Since the question of better readjusting the railway freight rates will soon be taken up, we shall insist on having these rates put on the same basis as those we pay in the east. It is all very well, Mr. Speaker, to talk of lowering the freight rates, it is all very well to say: We shall urge on the goverment our just claims, we shall endeavour to unite, province by province, section by section, so as to assert certain rights however, we must not forget one thing which to me seems the most important part of the question of railway freight rates: if we further lower our railway rates, what problem shall we have to face? We shall be deprived of a few million dollars owing to the rates which this present resolution before the House demands, another few million dollars owing to the readjustment of rates in the west, a few millions in the north of Ontario, a few millions in the north of Quebec, perhaps some millions in the Maritime provinces,. a total, Sir, that we shall have to add to the already enormous deficits of the country's railways. Where shall we raise the money to meet these deficits? Borrow? All very well. Pay the interest? Shall we always borrow to meet the interest, or shall we impose taxes to meet the payments? We shall have to choose between these two methods.

On the other hand, we are asked to lower the taxes; everybody clamors for it. It is impossible to lower the taxes and the railway rates at the same time. We must either pay one way or the other. Should we be forced to lower our rates, we shall, on the other hand, be obliged to levy taxes.

There is no escape; the burden of taxation falls upon the consumer who eventually finds himself in such a plight that he cannot make any further purchases, the wheels of commerce stop, and we shun Scylla to fall into Charybdis.

I think that the suggestion made by the hon. Minister of Railways should be adopted by the House. The discussion brought out, until now, the grievances and rights of our fellow citizens of British Columbia, Alberta and other western provinces; at this late hour, I humbly put before the House some of the problems which Quebec has to deal with in regard to this railway question, and if the hour was not so late, we would certainly hear from our friends and fellow citizens from the Maritime provinces. Would it not be more expedient, in view of this situation, not to further press the point, but to thoroughly consider the question and allow the government to add, perhaps, to this resolution the other questions which it might wish, in this connection, to submit to the House and to leave this question, for the moment, in abeyance. I agree with pleasure to the suggestion of the hon. Minister of Railways, and I think that the whole House will share these views, in order to ensure to the country more equitable railway rates, fairer to the west, but also to the east.

Hon. R. J. MANION (Fort William and Rainy River): So far as I am concerned, this question of freight rates is too complicated for me to vote on a resolution of this kind. This matter has been argued and reargued in this country from coast to coast for many years now and we have had legal experts such as Mr. McGeer and Mr. Symington as well as railway experts from the Canadian Pacific and the Canadian Northern Railways, all of whom have taken different attitudes both before the press of the country and the Board of Railway Commissioners. I am sure, therefore, that no ordinary member of parliament, like myself, and certainly no ordinary reader, could come to a decision on the justice of a question of this magnitude. If the resolution had merely stated that an unfair discrimination should be eliminated I should unhesitatingly support it. But I must point out that those who have taken part have naturally spoken from a sectional point of view; I do not intend this in any critical sense whatever, because in the very nature of things this is bound to be the case; but the fact is that those who have contributed to the debate have spoken from the standpoint of their own sections. Now, if I spoke from the standpoint of my section I should probably oppose the resolution; and that I do not wish to do. If the resolution were adopted and its principle put into effect it would probably injure the part of the country which I represent. I do not intend to explain that point because I am sure that it will be appreciated by those who understand the freight rate question as it affects the west. But what I say is true, nevertheless. I do not choose, however, to oppose the motion. Whatever I might do on any other question, I have no desire to take any stand in this matter which might be injurious to the rest of the country although helpful to my own district, and I flatter myself that my constituents are big enough to view a question like this from the point of view of the welfare of the whole country. At the same time I do not feel capable of deciding by my vote a matter that is so complicated. There is in this country a body which, as the hon. member for Vancouver Centre (Mr. Stevens) has pointed out, should be the proper judicial authority to settle any matter of this kind, and that is the Board of Railway Commissioners. And I agree with him that if that body has not the confidence of the Canadian people then we should certainly either endeavour to restore the public confidence in the board or get a board constituted in whom the people will trust. If there is anyone in this House who should know the question a little better than anybody else, it would be a member of the government.

Mr. MEIGHEN: Who ought to know.

Mr. MANION: Yes, who ought to know; for the members of the government as a Privy Council have been listening to appeals and dealing with the question for at least a year or two, perhaps for three years. They have had all these questions submitted to them, and if there is to be a decision by the House, then at least we should hear from those who recently have had to deal with questions of this kind. I do not feel capable of voting on the question if it comes to a vote, so that as I could not vote intelligently I should refuse to vote at all. When I say that I cannot vote intelligently on the question I think I am speaking for a large proportion of the House. There may be some who have given a great deal of study to the question, but even they, I venture to suggest, have not sufficient knowledge to enable them with confidence to pass an absolute opinion on the resolution, which demands a reduction in mountain rates,—rates which both railways contend are fair. I do not say that they are fair; I do not take that view. But I do take the attitude that I do not know enough about the question to vote either pro or con, and so far as I am concerned, if it is pushed to a vote I shall be unable to see my way to vote either way.

Hon. J. H. KING (Kootenay, Minister of Public Works): The resolution introduced by my hon. friend from West Edmonton (Mr. Kennedy) is a phase of probably one of the most intricate questions with which this parliament will have to deal this session. As a representative from the province of British Columbia, it is not necessary for me to state that I am thoroughly alive to and know something about the handicap under which that province has suffered during the past and at the present time. But knowing the condition as I do, and knowing the efforts that have recently been made by the people of British Columbia through the government of that province, who have employed trained counsel and made an exhaustive study of the question, extending over a period of years, and who have appeared before the tribunal which was considered the proper authority in matters of this kind—and created by the Parliament of Canada—I would hesitate to-night in disposing of this matter summarily. In fact, I should be very much perturbed if that were done. I am absolutely satisfied of the sincerity of the hon. gentleman who has submitted the resolution. He lives on the border

of British Columbia and this question affects the province of Alberta almost as greatly as it does my own province, and I believe entirely in the hon. gentleman's sincerity and in the genuineness of his motive in bringing forward the matter. But I would ask him whether he thinks it wise to allow the question to go to a vote on the evidence that has been submitted this evening or on such evidence as might be brought forward to-night during this debate, even if it went into the hours of the morning. I do not believe we are qualified to dispose of the question on the evidence we have. As a matter of fact, from my own information on the subject, it seems to me that it is only by the most complete and exhaustive study of the question that one would be capable of coming to a sound judgment on the question. After the appearance of counsel for British Columbia before the railway commission some two years ago, there was an appeal from the commission and this question was argued before the Privy Council, the argument extending over two or three days. I listened to it with the greatest interest and fully realized the intricacy and difficulty of the question. As I have said, the resolution of my hon. friend deals only with one phase of a great problem which is to be dealt with by parliament; in other words, it is anticipating action which is foreshadowed in the Speech from the Throne. Let me quote from that document.

> It is the opinion of my advisers that the attention of parliament at the present session should be directed more particularly to the desirability of effecting freer movement of commodities through an equalization of railway freight rates as between provinces and localities and through a lowering of carrying charges upon shipments by water.

Mr. MEIGHEN: Will the hon. minister tell us what the government intends that to mean?

Mr. KING (Kootenay): Well, I think we will have to "wait and see", as we say nowadays. That is what I am trying to advise my hon. friend from West Edmonton. Rather than jeopardize a good case, which I believe will appeal to the members of this House and to the people of the Dominion, I think it would be wise to allow it to stand until the whole question of freight rates can be brought before parliament. Then in the course of debate the case can be again brought forward to see if the government cannot suggest ways and means whereby it may be properly dealt with at this session. There can be no question of my entire confidence in the case that the province of British Columbia has made, but as a member from that province who has followed the question with great interest, I think it would be inadvisable for parliament to take action this evening, and in view of my remarks, I beg to move the adjournment of the debate.

Mr. MEIGHEN: I have no right to speak on the motion, but I had intended to express my views before the minister moved the adjournment of the debate.

Mr. KING (Kootenay): With the permission of the House, Sir, I beg to withdraw my motion.

Mr. SPEAKER: Is it the pleasure of the House that the hon. gentleman shall have leave to withdraw his motion?

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): Mr. Speaker, what I have to say in the way of a general enunciation of views on this subject I have already stated in this House on more than one occasion. It is this, that following the erection of the railway commission and the delegation to it of defined powers, the function of parliament is only to declare the principles upon which that commission shall act and which it shall apply to all the varied schedules of railway rates and all the varied phases of that complex question. The Railway Act now embodies the principles which parliament in its wisdom up to the present time has thought fit to pass to the commission and to declare its faith in. The government appears to be of the view that some new principles must be enunciated. What they are it does not for the life of it know. Consequently it resorts in the Speech from the Throne to language which means nothing whatever. For the first two sessions the Speech from the Throne rang the changes on co-ordination and co-operation. Those vanished into thin air; they became so grating to the ear that last session was substituted the word "equalization." It was applied in two or three ways in the Speech from the Throne a year ago, notably to flour; there was to be equalization of the rates on flour. What that meant no one in the House was advised, and finally by effluxion of time we learned that it meant nothing whatever. We are now told that there is to be equalization of freight rates as between provinces and localities. I asked the Minister of Railways (Mr. Graham) what the government had in mind in that sentence. He declines to tell us. I asked the Minister of Public Works (Mr. King)—he who asserts that he is thoroughly convinced of the merits of the case of British Columbia, but who does not like to declare he is convinced in this resolution—I asked him what was in the mind of

the government in that phrase, and from the question be backs gallantly away. The only conclusion is that the government had nothing in mind at all. Their object in putting the phrase in the Speech from the Throne was to convince hon. gentlemen who were deeply interested that the government had the subject under attention and hoped some time to declare something specifically to this House.

Now, if it is a fact that our duty is to impress into legislation the principles upon which the rate structure itself must be framed by the railway commission, then such a resolution as this has no place here at all. This is a matter of the application of a principle. Undoubtedly no one desires British Columbia to suffer under any unjust disability, under any discrimination taken in the whole; but it is a question whether or not you can remove a certain mountain scale of rates and at the same time leave all the rest of the rates and not discriminate in favour of the province. Consequently it is for the railway commission—a body of experts—to find whether or not there can be fairness, equality, to all the provinces, and this resolution put into effect. For that reason I am in favour of the adjournment of the debate, I am in favour of this matter going to the railway commission. If the government wants to declare some new principles, let it come down with its policy and we will act upon that policy; but my own opinion is this,—and while it is pretty close to the event one should not perhaps venture a prophecy—I venture to think that after we get this new declaration of principles we will find it is just a prolonged circumlocution, a mass of verbiage, resulting in a merely circuitous repetition of the principles that are in the Railway Act to-day. I fancy that after the whole thing is down we will find it is just a restatement in language akin to that so often employed in recent Speeches from the Throne—a restatement of the law as it is now.

Why is it, though, that we have these resolutions? Is it not just because this government has invited them by its own course?

Mr. GRAHAM: Are they new to this government?

Mr. MEIGHEN: Pretty new. I have never followed any of them, in power or in opposition. I do not recall being bothered with them before. This government, by attacks on the railway commission in opposition, has undermined confidence in it, and none is more guilty than the Minister of Agriculture (Mr. Motherwell), who sits now with his head down and does not like this discussion; none is more guilty than he. They have undermined confidence in the commission; they have encouraged agitation against it; they have encouraged an agitation to throw into the maelstrom of parliament a task parliament is unfit to perform. Two sessions ago, in order to gain the favour of hon. gentlemen to my left, they took a course they knew was based on no sound principle at all. They undertook to declare for a policy of restoration of a certain definite scale of rates which has landed this country in chaos, which to-day has us in a position from which we can scarcely escape. All this they did in order simply to maintain a majority in parliament and themselves in the sweets of power. From this they must escape. When they took this course I told them these things would come upon them, that if they answered to the demand of the prairies for a certain definite scale they would have to answer the demand of the Maritime provinces, and has not that demand arisen? Is it not ringing through the Maritime provinces now? Has it not been ringing in the ears of the government every month since? And they cannot answer it. Now they are called on by British Columbia to step in and do the work the railway commission should have done, and should have done with the confidence of the Canadian people. They could expect nothing else. All last summer the Prime Minister of Canada went on the stump throughout the west and declared the policy of his government was to restore the Crowsnest pass rates, and behold! he says, we have done it.

An hon. MEMBER: That is right.

Mr. MEIGHEN: If that is the policy of the government, it is the policy of the government to answer this resolution now, and to say yes or no. If it is the duty of the government to restore specific rates to one part of the country, it is its duty to say yes or no to this resolution, and not to hide behind the commission. The fact of the matter is the government took the course dictated by political expediency for the moment, and to-night it is paying the penalty. A government cannot stand to that course. It has to reverse itself. Whatever the humiliation may be, whatever the contortions may be, that reversion is going to take place this session.

Hon. S. F. TOLMIE (Victoria City): I wish to say a word or two before this resolution is finally dealt with. I am heartily in favour of the principle of the resolution.

The people of British Columbia have been suffering for many years, and are suffering yet, from the mountain scale, which we feel is an injustice to-day west of the mountains. At the time of the construction of the Canadian Pacific railway, owing to the extra cost of construction through the Rocky and Selkirk mountains, large subsidies were granted to the company to offset the extra cost; and when they began to operate their lines, to offset the extra cost of transportation between the prairie and the coast, this mountain scale was allowed. At that time the volume of freight and passenger traffic was very small, but since then it has increased very materially. Since that time, too, something more important has happened; that is, we have had a railway constructed through the Yellowhead pass, where the grade is very much better than it is on the Canadian Pacific. I have been informed by engineers that we have a better grade from Edmonton to Vancouver than is to be found from Edmonton all the way to Fort William; that is, the grade through the Yellowhead pass at the highest point between Vancouver and Edmonton is lower than the grade from Edmonton to Fort William at its highest point, indicating that they can handle their trains through the Yellowhead pass at a very reasonable cost indeed. But has it had any effect? No. The mountain rate still prevails, based on the cost of operating over the Canadian Pacific railway, and that is why British Columbians feel to-day that an injustice is being done to them.

There is one other point I feel is more important than this mere matter of trade in British Columbia, and that is that we have, lying west of the Great Lakes, one of the largest areas of agricultural land in the whole of Canada. Much of that territory can ship with a profit by way of Vancouver. I think we can all agree on this principle: that if we are going to be able to compete in the markets of the world with our agricultural and other products, we must have as easy access as possible to tidewater, and we must be able to ship these products at the very lowest possible rate. I do not propose to take up any more time except to say that I endorse the principle of the resolution introduced by the hon. member for West Edmonton (Mr. Kennedy).

Mr. L. W. HUMPHREY (West Kootenay): Mr. Speaker, I wish to make my position clear in regard to this resolution, as it involves a very important question for British Columbia. I do not wish to be accused of giving silent assent in any way to the position taken by the hon. member for West Edmonton (Mr. Kennedy) on this resolution. This question of the elimination of the mountain rate is a very important one for British Columbia, but I would like to point out to the House that it is not the whole question as it affects freight rates for British Columbia. I have the honour to represent the southeastern district of the province of British Columbia. We are agreed upon the principle of the elimination, to some extent, of the mountain freight rate scale where there is discrimination, but the people of the West Kootenay district are also interested in another freight rate problem. They have their own local problems, and if this resolution came to a vote I would be compelled, under the circumstances, to vote against it. I have always believed that it is impossible for parliament either to tear down or build up a freight rate structure. In my opinion this is a question to be referred to some tribunal which is in a position either to eliminate or build up a freght rate structure. I cannot vote for this resolution because I do not know what the consequences would be so far as the southeastern part of British Columbia is concerned; I do not know what the effects would be regarding other parts of British Columbia. I want to do what is fair and right by my province, and I must also keep in mind particularly the views of my own district. I feel that by voting for this resolution I should be giving practically a blanket vote for the elimination of the mountain freight rates without knowing what the consequences would be to my own district and to other parts of the Dominion. Therefore I cannot support the resolution as it stands.

Mr. SPEAKER: Is the House ready for the question?

Hon. E. M. MACDONALD (Minister of National Defence): I think the House will agree, in view of the importance of the issues involved in the resolution moved by the hon. member for West Edmonton (Mr. Kennedy) that further consideration of those issues should be had. The House is asked to express an opinion that the scale of freight rates in force in the mountain section of British Columbia should be abolished. Hon. gentlemen from every other part of the country, who are interested in the question of a proper adjustment of freight rates, must realize that this matter cannot be dealt with piecemeal—that it would be very imprudent for this House to express an opinion as to what should be the freight rates in one particular part of the country without taking into considera-

tion the whole problem of the earnings of the railways. This is the greatest problem which confronts this House and it has been, I do not hesitate to say from my long parliamentary experience, the greatest problem that has confronted the Canadian people in the last quarter of a century. Now it is very well understood there is before the Supreme Court of Canada, and no doubt a decision will be rendered in a very short time, the question as to whether or not what is known as the Crowsnest pass rates are in force to-day. Upon the effect of that decision will depend very largely the conclusion to which this House or the railway commission may come as to what ought to be the rates in any part of Canada, and I think the House will agree with me that it is the part of wisdom for us to await that decision before we attempt, so far as the House is concerned, to express any opinion as to how this question should be dealt with. I therefore, Mr. Speaker, beg to move the adjournment of the debate, so that before the matter comes up again, or before the government deals with the question in a general way, we may have the advantage of further information.

Motion agreed to.

On motion of Mr. Graham, the House adjourned at 10.25 p.m.

Tuesday, February 24, 1925.

The House met at three o'clock.

INDIAN ACT AMENDMENT

Mr. G. G. COOTE ((Macleod) moved for leave to introduce Bill No. 9 to amend the Indian Act.

He said: This bill, Mr. Speaker, is intended to amend subsection 3 of section 90 of the Indian Act, which gives power to the Superintendent to lease Indian lands without the consent of the band.

Motion agreed to and bill read the first time.

MINERS AND STEEL WORKERS

NOVA SCOTIA LABOUR CONDITIONS DISCUSSED ON MOTION TO ADJOURN

Mr. J. S. WOODSWORTH (Centre Winnipeg) asked leave under rule 39 to move the adjournment of the House for the purpose of discussing a definite matter of urgent public importance, namely, to call attention of the House and the government to the acute distress existing among the coal miners and steel workers of Nova Scotia, many of whom are actually on the verge of starvation.

Mr. SPEAKER: Before I put the motion to the House I may say that I have some doubts as to the regularity of the proceeding. I ask myself if this is not a matter which is more provincial in its character than federal. However, I am quite willing to give the hon. member the benefit of the doubt and leave the matter to the House. Is it the pleasure of the House that the hon. member shall have leave to make his motion?

Some hon. MEMBERS: Carried.

Mr. SPEAKER: The rule is very clear and states that twenty members must rise in their seats before leave may be granted.

The Clerk Assistant having stated that more than twenty members had risen:

Mr. WOODSWORTH: I move that the House do now adjourn. I had hoped to be able to discuss the situation in Nova Scotia in connection with the motion now on the order paper, but within the last few weeks, and especially within the last few days, the situation there has become so acute that it seems only right to take the first opportunity of bringing the serious condition to the attention of the House. I trust that to-day we will not look at this matter from a partisan standpoint—indeed I cannot see why partisanship should enter into it at all—but rather that we should look at the matter from the standpoint of the welfare of our citizenship at large, and emphasize more particularly the humanitarian side of the question. My decision to bring this question before the House was precipitated by a telegram that I had a day or so ago from the relief committee of one of the local unions of Sydney Mines which reads as follows:

> Distress very acute at Sydney Mines; ask immediate relief from the government; people destitute; reply at once.

How should I reply to such a telegram as that? I might very readily escape responsibility by simply saying that it was not the policy of the government to give relief. I might even go further and say that that policy was based on a certain interpretation of the British North America Act, but I am quite confident that an answer of that kind would give no satisfaction to men who are half desperate at the present time, and I fear that I myself, occupying as a member of this House a position of some influence, have no right to take the easy course and to shelve responsibility in that way. I am well aware of the fact that negotiations are now in progress. According to the press, the provincial government has offered some new proposal of which we have not yet the details. I know

it has been suggested that Nova Scotia might possibly take action in the direction of appointing a royal commission. I know it is generally held that the municipalities or the provinces ought to have first responsibility in caring for the people, and yet it seems to me that when an appeal comes from people who are in dire straits, we ought to give them, at least a hearing.

As regards the provincial situation, the men themselves are very doubtful whether the existing provincial government can be expected to do anything that will afford them any great measure of relief. I do not say whether they are right or wrong, but I know a large number of the men have lost their faith in the possibility of the government, as it now exists in Nova Scotia, helping them very much. Many of them are firmly convinced that that government is altogether too closely associated with the company in whose employ they work to be in a position to afford them any large measure of relief.

Had I replied to that telegram as I felt half inclined to do, I would almost have had to say: You men in Nova Scotia will have to do something desperate in order that you may, in some dramatic way, bring your case before the public at large. I do not want to have to say that, so I decided to make an appeal to this House and to the government that they would not force the men to resort to other means of trying to bring some relief to themselves and their families. The federal government has, relative to the peace, order and good government of Canada, certain powers that make it possible, nay, obligatory, that in circumstances of this kind action should be taken.

I would point out that need of a serious character knows no boundaries, provincial or even national. When an earthquake occurred in Japan a few months ago, expressions of sympathy and material relief came from all parts of this country. When there was an explosion at Halifax some years ago, we all know that from every side there came help. We, in the west, have known years when, owing to very bad crops, there was dire distress, and the government came to the assistance of the people and certain settlers were afforded relief. If there is the need that we are told there is, it seems to me that the government ought not to hesitate.

It is not my privilege to suggest in any detail what might be done. I would, however, urge action along two lines: First, that some immediate relief should be given to these miners and steel workers. Their wives and children ought not to be allowed to starve or to suffer extreme privations. Further than that, this government ought not to delay longer in instituting a very definite, impartial and full inquiry into the whole circumstances as they exist to-day in Nova Scotia. This is not a new question; we have had it up year after year. I think it is three years ago that, on representations from the mayors in some of the towns in Nova Scotia, my colleague (Mr. Irvine) moved the adjournment of the House in order that we might urge the necessity of the appointment of a royal commission.

A great deal has happened during those three years. Every year we have had industrial troubles. Every year we have had either a commission or a court of inquiry. Things seem to be worse now than they ever were before. It is quite true that there is no strike at present in existence and it is hoped that there will be no strike. It is quite true that there is no definitely declared lockout. The situation is that the agreement with the men has run out; that it has been impossible to effect a working arrangement, and that whether or not working arrangement is arrived at, there has not been for a long time sufficient work for the men. Many of the steel workers at Sydney Mines have been out of work for the past six months; many of the coal miners have been working short time for the past six months and their reserves are sadly depleted.

Let me give a few facts in this matter, because it is, after all, upon the facts of the case that we must form a judgment. A few days ago I called attention to statements made by Premier Armstrong when he was here heading a deputation from the Maritime provinces. According to press despatches, he is reported as having made this statement:

> That at the Sydney Mines in one of the coal towns, so acute is the situation that people were suffering from hunger and some were actually living on mushrooms picked in the woods. Such a situation, he said, required action by the government. There were 23,000 people unemployed and more than 100,000 dependents affected.

I do not know that that statement published broadcast through the press has ever been challenged. Personally, I am not in a position to say whether or not those figures are correct, but that is the information which has gone on record. I have had some personal knowledge of the situation within the last few months. Shortly after the new year I visited most of the mining camps in Nova Scotia, especially in Cape Breton. I lived for a week or ten days in the miners' homes. I talked with scores of the men. I learned something of their stories. I learned something of the struggles that they were having in trying to make a living for their families.

I talked with some of the women and learned how they were trying to feed and clothe their children. I am not surprised, after what I heard a few weeks ago, that the situation should have become well nigh desperate at this time. We have confirmation of that from several quarters just within the last few days. Let me read a report, from the last issue to arrive here of the Sydney Post—February 20. Under the heading "Industrial life of Sydney and mining towns in south is rapidly disintegrating," we have the following:

The presbytery of Sydney in common with other public bodies viewed with the gravest concern the present conditions prevailing in the industrial life of this community and believes that some immediate action is necessary if business and social life is not to disintegrate entirely.

An unprecedented situation has developed where many of our industrial workers are in direct want and compelled to accept charity in order to subsist; some 300 families in Sydney alone receiving aid from the relief association, while living conditions among the miners as evidenced by a statement published by the committee at Dominion No. 6 reveals a similar or worse state of affairs. The steel plant has been practically idle for the last six months, notwithstanding a drastic wage cut taken by the employees, and, though we are credibly informed that there are sufficient orders on the books to warrant its operation at the present time, it is still practically shut down. We therefore submit:

(1) That a royal commission of competent and disinterested men with full powers, be appointed at once to investigate thoroughly the organization, financial methods, and operations of Besco, including wage conditions and cost of living among the workers.

(2) That while suspending judgment on the question of the wage which the Besco is able to pay its miners, we believe that the 1924 rate should be continued until such time as the royal commission shall have reported.

(3) That the steel plant should begin operations immediately since we are convinced that there is no justification whatever for further using the idle steel workers as pawns in the game of industrial strategy.

There are just two observations in that article to which I should like to call attention. In the first place, there is the statement on the part of this clergyman in the district that immediate action is necessary if business and social life is not to disintegrate entirely. That, I think, is a most serious statement, sufficient in itself to warrant my bringing the matter to the attention of the House. And there is the second statement, that there is no justification whatever for further using the idle steel workers as pawns in the game of industrial strategy. It seems to me that whatever else we do we must bear in mind the human values, and I take it that the highest task which this House could set itself would be to defend the rights of the workers under these circumstances.

Let me read further from the Labour Herald, the organ of the labour men of Glace Bay:

One of the largest meetings ever held in Glace Bay took place last Sunday in the Savoy Theatre. The meeting was called by the idle miners of Nos. 2, 4 and 6 mines, for the purpose of laying the terrible conditions of want and starvation being endured by the workers at these collieries before the public, and to protest against the action of Besco in keeping these mines idle. The hall was packed to the roof with some 1,500 people when Mayor Morrison took the chair. Many of the doctors and clergy of the town took part in the meeting, telling of the terrible conditions found by them in their daily visits to the homes of the workers.

The miners employed in the above named mines have worked less than half time since January, 1923, and since the 15th of November last year have only got in 15 days' work. One clergyman, who evidently had given some consideration to the amounts that the miners were forced to live on, pointed out that families in his district for the year 1924 had actually lived on four cents a meal. He told of families where the children were clothed in discarded flour bags and where the only bed clothes were old feed bags.

In another column I find an account of a recent meeting of one of the locals of the miners. I quote the following:

The terrible distress existing in the Sydney Mines district was brought vividly before this meeting. The miners were feeling good, as they realized their strength in staying the greedy hand, when the door of the meeting place was pushed open and a little girl not more than ten years of age entered. She had a slip of paper in her hand which she gave to the president. It appeared that the father of the child could not leave home because his wife was sick and could not be moved or left alone, another child was dying and there was not a crust of bread in the house. The father had been idle two months. A committee was at once appointed to visit the family and give them relief.

The foregoing is from an account of a meeting of the local. I was informed two months ago that there were many cases of this character in this particular locality, but the gravest that I met with was at Sydney Mines among the steel workers.

Mr. FOURNIER: What is the paper from which the hon. member is quoting?

Mr. WOODSWORTH: The Labour Herald of February 21. My eye catches another contribution in this same paper which I think perhaps I might well read on this occasion. It is a little poem, not by some leader who is supposed to be very "red" in his tendencies, not the work of a bolshevist nor of any man commonly known as an anarchist, but one of the works of the English poet Shelley. Some of us read in our youthful days the ode To a Skylark, but possibly not so many of us read that other group of poems, The Masque of Anarchy, and others of a similar character which Shelley wrote. And I suppose that even when we read them we imagined that since Castlereagh had passed away, with the reactionaries of his period, the conditions depicted in this little poem could hardly be again found on

English soil. Yet we have these miners resorting to the poems of Shelley, written at that time of great distress in the history of England one hundred years ago, in order that they may find in them some expression of the position in which they find themselves to-day:

WHAT IS SLAVERY?

'Tis to work and have such pay
As just keeps life from day to day
In our limbs as in a cell,
For the tyrant's use to dwell.
'Tis to be a slave in soul,
And to hold no strong control
Over our own will, but be
All that others make of ye.
So that ye for them are made,
Loom and plough and sword and spade,
With or without your own will, bent
To their defense and nourishment.
'Tis to see our children weak
With their mothers pine and peak.
When the winter's winds are bleak—
They are dying while I speak.
'Tis to hunger for such diet
As the rich man in his riot
Casts to the fat dogs that lie
Surfeiting beneath his eye.
And at length when you complain,
With a murmur weak and vain,
'Tis to see the Tyrant's crew
Ride over your wives and you.
Men of labour, heirs of glory,
Heroes of unwritten story,
Nurslings of one mighty mother,
Hopes of her and one another;
Rise like lions after slumber
In unvanquishable number;
Shake your chains to earth like dew
Which in sleep has fallen on you—
Ye are many—they are few.

As I have suggested, the reproduction of a poem of this character in the ordinary issue of a labour paper under these circumstances gives a sidelight into the pyschology of these coal miners and steel workers which we cannot very well disregard. If I wish to find further corroboration of the actual conditions that exist I might quote, not from any of these articles by clergymen or by workers themselves, but rather from a report presented to this government, the Winfield conciliation report. Although it may be true that the decision of the Judicial Committee of the Privy Council may have rendered the action of that body practically of no avail, I suggest that their findings are worthy of consideration.

The board is unanimously of the opinion that, due to the unfortunate relations existing for many years between the operators and the employees, as set forth in the statement of the employees submitted to the minister, and further elaborated in the statement submitted to the board, no permanent improvement in industrial relations can be expected until complete confidence is established between the operators and the employees, which may possibly be brought about by a fair and impartial inquiry by a competent authority with a view to ascertaining the actual necessary cost of mining, transporting and selling coal, the ability of the companies to pay a rate of wage satisfactory to the employees to earn a fair return on the capital invested, and the bearing which the attitude and action of the employees have in relation to the efficient and profitable carrying on of the operations.

And again:

That under prevailing conditions many of the employees are unable to obtain more than meagre part-time employment in the winter season, entailing serious far-reaching hardships, and that this deplorable state of affairs can probably be remedied by the companies being able to secure remunerative outlets for their products when access to the markets in central Canada is cut off by the closing of navigation, prohibitive railroad freight rates and other causes.

Now, Mr. Speaker, I am perfectly well aware that the situation in Cape Breton is an extremely complicated one. I recognize that there are more factors to be considered than could be dealt with under a motion of this character. I am not here to-day to censure any one particular group. I recognize some of the difficulties which this government might have in dealing with the matter. And yet it does seem to me that, whilst the government might give some immediate relief in the way of food and clothing, it should go further and make a general inquiry into the underlying conditions that have so frequently provoked actual industrial strife and led to the expenditure of large sums of public money in attempts to keep the peace, a state of affairs which its own committee says can be remedied only by a very exhaustive inquiry, an inquiry not merely into the working conditions and wages, but also into the financial side of the company's organization. Perhaps I cannot do better than read part of a statement recently submitted by the men themselves as the reason why they would not appoint a representative on the conciliation board. The statement is carefully drawn and puts into a very few pages the entire situation as the men see it.

Mr. MARTELL: Will my hon. friend permit a question there? The Industrial Disputes Act having been declared ultra vires by the Judicial Committee of the Privy Council, what would be the use of the men appointing a representative on the conciliation board?

Mr. WOODSWORTH: I quite agree that there was very little use in the men appointing a representative on the conciliation board. As a matter of fact they refused to do so before we knew the decision of the Privy Council with regard to the Lemieux Act. But my point in reading the statement of the men is that we may understand something of the underlying difficulties as they are seen by the men themselves. This is their statement:

To the Chairman and Members of the Conciliation Board and to the Honourable, the Minister of Labour for Canada.

Sirs,—We have been asked by the British Empire Steel Corporation to accept a cut in the wages of the employees in and about the corporation's coal mines, for the following reasons:

(1) The steel trade is so depressed that the Sydney steel plant cannot operate at a profit.

(2) The coal trade has become unsatisfactory, owing to the ability of United States producers to undersell our coal in the Canadian markets.

The Steel Trade

We cannot permit the condition of the steel trade to control the rates of wages for employment in the mines of the corporation, for the following reasons:

(1) The various coal companies are operating under charters of their own. The condition of the steel company is as foreign to the present wage dispute as is the state of affairs existing at the Halifax ship-yards, except in so far as the wealth and resources of the coal companies may have been diverted out of their proper channels to sustain the steel company and other stricken units of the corporation, to the detriment of the coal companies and their employees.

(2) During the war, when the steel company made profits, these profits were not sufficiently employed in rejuvenating the plant and bringing its constituent units up to date. Too much was paid out in dividends on common stock, and on unprofitable projects. The result to-day is that the steel plant is in many of its essential departments far behind the rival plants in America and cannot successfully compete with them. The employees of the different coal companies are not responsible for this mal-administration, and yet it is proposed to cut our wages because of it.

(3) During the period of normal operations, the steel plant carried a top-heavy staff of highly-paid officials, unjustified by its operations. Even yet, with its operations at a very low ebb for many months past, its over-staffing may be judged from the fact that it carries a general manager and general superintendent, with high salaries, as well as a vice-president of the merged companies, all in charge of operations which are not perceptible.

(4) The steel plant for years has carried out a policy of low wages, long hours and non-unionization, that drives many efficient young men to seek employment outside Nova Scotia. Those that remain generally do so because their interests are so centered that they cannot get away. Annually, the employees of the steel works are skimmed of a high percentage of their best men, who go to foreign plants, and their places are taken by low-grade European immigrants. We believe that a profitable industry cannot be run without paying wages that will attract the most proficient men in the trades concerned.

(5) We believe that the steel company has lost trade because it has marketed a lower grade product than that called for, and that some potential customers will not deal with it for that reason.

(6) The system of appointing foremen and the general treatment of employees on the steel plant is so defective that it has made the employees antagonistic to the welfare of the plant, and we believe that an industry cannot succeed in the face of the antagonism of its employees.

(7) We believe that the sales department of the steel company is peculiarly inefficient and unsatisfactory.

(8) We believe that large sums of money are injudiciously spent in the operation of this plant or its connections, in giving contracts of one kind or another to concerns in which directors of the corporation or their friends are interested.

(9) We were not consulted when the steel plant, which was unprofitable and had been kept alive for years before that time by government relief in the form of bounties and by tax exemptions was merged with the coal mines, which always were profitable. Since that time the profits or losses of the one as compared with the other have not been submitted to the public; but we believe that, with the exception of the years of war, the profit has been made by the coal mines, and that the steel plant has been carried on at a loss. It has not been able to pay its way, and it would be interesting to know who paid its way, and under what authority. The employees of the coal companies believe that they contributed heavily for this purpose; and that the reduction of wages now—

Mr. MARTELL: If my hon. friend will permit me? I am thoroughly in accord with what the men say in that regard: coal has paid for everything in Nova Scotia.

Mr. WOODSWORTH: I continue:

The employees of the coal companies believe that they contributed heavily for this purpose; and that the reduction of wages now proposed by the president is intended to be used for the same purpose. Figures have been given which show that the coal companies made money last year, and we have been assured that any cut in our wages will not reduce the selling price of coal. The reduction to be made in the miners' wages, therefore, will go to pay the debts of the lame-ducks of the corporation.

(10) Since the amalgamation of the Dominion Coal Company and Dominion Iron & Steel Company, the latter company has consumed annually between 500,000 and 1,000,000 tons of coal. We believe that the coal company has been credited with a price for this coal considerably under its contract value. Upon this item alone many millions of dollars have been taken from our wages for the benefit of the steel plant, and this improper practice still continues.

They pass on to consider the coal trade:

We are unable to consider costs in the coal trade as a ground for reducing our wages, because:

(1) The company has supplied us with figures showing that the cost of labour in only 40 per cent of the average selling price of its coal.

(2) We know of Dominion Coal Company coal sold in the province of Nova Scotia, in which the labour cost is nearer 20 per cent than 40 per cent.

(3) Accepting the company's own figures for the sake of argument, we are not allowed any control of at least 60 per cent of the price of the coal.

(4) Into this 60 per cent, which is controlled exclusively by the company, enter very many items which we know to be improper or inefficient.

(5) Items similar to the payment to members of the Newfoundland government find their way into the cost of coal.

(6) Heavy expenditures on construction and equipment augment the cost of coal though many of them are long overdue and are not entitled to appear in recent costs at all. If the money of the coal company had not been spent in other directions, there would be adequate funds for all the necessary requirements of the coal company at the right time, which would mean in itself a great reduction in the cost of producing and marketing the coal. For this condition we are not responsible.

They give an illustration of that, which I shall not read.

(7) Men about Cape Breton draw money from the company's funds and return no perceptible value other than to influence legislative or public opinion in the company's favour, irrespective of merit.

(8) The coal sales department of the company appears far from satisfactory.

(9) Offices at Montreal and London are carried at unjustifiable expense; and payments made thereat are a heavy burden on coal costs. Further, these offices tend to remove the supervision and control of the industries from Nova Scotia.

(10) We come in contact daily with officials of the Dominion Coal Company receiving high salaries, who, to our own knowledge, contribute little or nothing towards the efficient and profitable production of coal.

(11) If we should ask that all favours be withdrawn from members of the local legislature, and others of public standing, we would receive no satisfaction, or be told none were being given; while we have known some of the recipients by name.

(12) We do not receive true and correct statements of cost from the Company; nor have they throughout our lifetime, which has been spent in working in the coal mines, done other than continuously to attempt to deceive us regarding expenditures that are responsible for coal costs, and, in a similar fashion they have deceived the members of previous conciliation boards. That is their settled policy.

Wages Our Only Consideration

We find ourselves, therefore, in the position where we are permitted by the company to deal with no item in regard to coal costs other than the wages of the members of our union. In looking over these, for instance for the past year, we find that an appalling number of our members have drawn, in actual money, less than one-half of the wage necessary to maintain a decent standard of living as set out in the Labour Gazette.

We find that expensively equipped collieries have worked through the summer months in some instances only six or seven days a month. Other expensive ones are abandoned. The Scotia collieries and steel works have been largely dismantled. We have no confidence whatever in the ability of the president and directors successfully to manage or direct coal operations. We have come to consider the frequent watering of stock which has been going on in this corporation since 1892 as a financial operation that allows of stock market manipulations, but which is detrimental to the economical production of coal, and renders unstable the direction and administration of the industries, according as which group of stock market manipulators secures control. In fact, the financial aspect of the company has come not merely to overshadow, but actually to interfere with the technique of the industry it conducts. We are consulted only in regard to the wage cost and our stand in regard to it is that it is already too low to give our men a decent standard of living. It is now proposed to lower it further to pay for what we consider inefficient direction, unsound financing and poor management. If the corporation desires to indulge in extravagance, incompetence and stock market jobbery, we are apparently unable to prevent it. It does not appear fair, however, that the money wasted in that manner should be made a burden upon the already inadequate wages of our workers.

We have refused to take a cut in our wages and a conciliation board has been applied for by the corporation to assist in bringing that cut upon us. We do not doubt the sincerity or honesty of purpose of any such board, and we mean no discourtesy to it, but we have been through this experience frequently and the procedure is familiar to us. The board will be confronted with cost sheets and statements that are either deliberately untrue or which are so misleading as to be valueless. They may even be presented by officials who believe them. The board will be told, and the statement supported by figures, that we must take a cut or the coal mines cannot mine coal at a profit. We were told that about three times in one year, and each time in regard to a successively higher proposed wage rate, and each time equally untruthfully. And eventually we will be confronted with the batons of the provincial police and the bayonets of the Canadian militia as the final reason for us to accept a cut, when we ask for no more than humane treatment for our workers and their women and children. Many children cannot attend school owing to lack of food and clothing, and whole families face starvation at the present moment.

All the talk about costs of coal, and their introduction for the purpose of lowering wages, presupposes that we are in some measure interested in them. Yet, as we have said, apart from the labour item, which is less than 40 per cent of total cost, we are not only not consulted upon the subject, but we are not given truthful figures in regard to it. When this corporation so mends its ways and purifies its expenditures that it dare adopt a system of open accounting with us as has been done in parts of the Old Country, we shall meet it at least half-way. But, until that time, we can do no more than fight to maintain the all too miserable standard of living of our members and their families, and we have to conduct that fight in the face of the opposition of the press, the provincial and Dominion governments and the public at large, all of whom are forced to misjudge us by the false propaganda of this corporation.

One more paragraph relating to the corporation's propaganda standard of honesty:

About a year ago some officials of this company testified before a royal commission that no spy system was maintained by the company; while for several weeks, one of the weekly papers has been printing columns of the actual spy reports, with names and dates covering a period of several years, showing we are subject to espionage in our locals, at our work and in our homes. Yet whoever criticizes this corporation is termed "Red" and he must walk with great circumspection to avoid the jails of our country and the batons of provincial police; and false reports concerning our actions, the wages we receive, and the conditions of our employment are sent broadcast throughout the world without the slightest possibility of our ever overtaking these calumnies, or of our obtaining a fair hearing.

Mr. Speaker, it was an appeal of that kind that led me to decide to make this presentation in the House. I felt that I should do my utmost to give the men's side of the case to the public; and I felt also that if it was given a fair hearing we might at least hope that the government of this country would take some action in the way of setting on foot an inquiry which would finally determine whether there was any ground for such statements as the men are making, and, if not, what was the real reason for the continued industrial disturbance in this province.

It seems as though there is little more to be said. I am not here to make a speech; I am here simply to present a case, and I have confined myself almost exclusively to reading these documents. Evidently the men feel that they are not understood, and are opposed by almost all in authority. The latest report to the government was that there was no hope whatever of putting the

industry in Nova Scotia on a proper basis until there was some sort of mutual understanding. I am sure that all members of the House will agree that individually these men are absolutely helpless. We are facing a situation which cannot be solved by individuals; I am not quite sure whether it can be solved by the corporation itself. It does seem as if the highest legislative body in the land, this parliament, is the body that ought to consider a matter of this kind, and I urge that action be taken, first of all to see that no Canadian child suffers, and secondly that we know the facts in the case.

Hon. JAMES MURDOCK (Minister of Labour): Mr. Speaker, I feel sure that I voice the sympathy and regret that every hon. member feels that it should be possible in Canada for an hon. gentleman to arise in parliament and refer to the conditions existing at Sydney, Nova Scotia, which the hon. member for Centre Winnipeg (Mr. Woodsworth) has just recited. I have followed carefully all that he has said in regard to the conditions of distress existing among the mine workers at Sydney, Sydney Mines and other places in that vicinity. I do not believe that he has exaggerated in any particular the actual conditions of distress that have been in evidence in that locality during the past few months—yes, during altogether too many years. For more than twenty years there has been industrial unrest, never settled, in Cape Breton. There has been conflict between the employers and the United Mine Workers' organization, representative of the employees, and, before that came into existence, other organizations representing the employees; and still it seems as though it has never been possible to settle satisfactorily the conditions under which the men work in the mines and in the steel mills of Cape Breton.

The hon. gentleman referred to telegrams, as I understood, which he had received from Sydney Mines as to the distress existing there. I want to assure him that the Labour Department, as well as ministers of the present government, have received recently, yes for the past two or three years, similar intimations of distress existing and similar requests for assistance. If it were possible, having regard to the trusteeship which members of this House owe to those who elected
4 p.m. them to sit in parliament, for this government and this parliament to deal in a consistent and proper way with the conditions to which my hon. friend refers, I would hope to be the loudest one in clamouring to assist him in dealing now, once and for all, with some of these conditions, and in wiping them out of sight forever. But the facts are that there is another government having distinct and definite autonomy, having exclusive jurisdiction over certain conditions which are in evidence in Nova Scotia relative to the company and the employees of the company which we are considering here to-day. Nova Scotia as a province owns the coal mines of that province; Nova Scotia as a province leases those coal mines; Nova Scotia as a province in the past several years has received in royalties on coal mined the following sums:

1918	$586,036 32
1919	557,456 02
1920, including royalty on salt	608,364 51
1921	556,385 12
1922	490,318 26
1923	671,233 27

I do not desire to cite these figures for the purpose of waving entirely to one side any dictates of humanity that might naturally come to us in a consideration of this matter, and to say that we should not give sympathetic, yes or other proper consideration to any claims made; but I do with all respect say that here is involved, and has been for many years past, a situation that the province of Nova Scotia, having exclusive authority to deal with it, should have dealt with or should now deal with, rather than that my hon. friend from Centre Winnipeg (Mr. Woodsworth) should rise here in this parliament and ask us to go outside of our authority to take cognizance of it, and if necessary take drastic steps for the purpose of relieving a situation over which we have no direct or proper control. I would that it were otherwise, but if we are to be consistent, I think we must recognize the actual facts.

Let me now go for a moment into what has been the habit down in Nova Scotia. I do not for a moment suggest that it is inspired, but it has been the habit just the same. The habit has been to always try and see what could be secured from the federal government.

Mr. HANSON: Oh, oh.

Mr. MURDOCK: My hon. friend from York-Sunbury (Mr. Hanson) laughs, but those are the facts, and the records will disclose that when the former government, which he supported, was in power the same condition existed. While we are talking about that habit, let us here and now intimate that another concern, a part of the same corporation, the steel part of it, has received in the years gone by ninety millions of dollars of money out of the federal treasury in one way or another. I think that pretty nearly constitutes a habit of assistance from the federal

government. And during that time men, women and children were suffering under conditions of hardship which all too often they did not deserve under the British flag and in this Canada of ours.

That was just merely an aside, on account of the sarcastic laugh of my hon. friend from York-Sunbury (Mr. Hanson).

On December 5 last, we received a letter from the town clerk of Sydney Mines which stated:

> At a meeting held in the council room, town of Sydney Mines, the town clerk was authorized by vote to make application to the federal and provincial governments for aid to assist the town to give relief to the poor and distressed cases. This meeting was presided over by the poor committee of this town. All the churches had by pulpit notices invited their people to be present at this meeting and to assist by sending in clothing and eatables. Some relief has already been given. The meeting asked that the amounts asked for would be as follows: Federal government, $5,000; Provincial government, $2,500; Town of Sydney Mines, $2,500.
>
> The immediate poor and distressed are the dependents of men who have been out of employment for a long time.
>
> Your favourable consideration is solicited.

More recently, or on the 17th day of this month, we received a telegram from Glace Bay reading:

> Destitution here account of idle mines, 2,000 employees and their dependents on verge of starvation; mass meeting of citizens demanded to know why no work; McCann held out no hope to relieve distress unless the Canadian National Railways, largest consumers, gave orders to buy banked coal; citizens implore order to relieve present distress.
>
> M. T. SULLIVAN, Chairman.
> A. M. MACLEOD, Secretary.

This telegram was replied to in a letter of February 18 in part as follows:

> As you know the province of Nova Scotia owns the coal mines and secures a royalty on every ton of coal mined while the province has exclusive jurisdiction over questions affecting property and civil rights within the province, and it would therefore appear that your representations should be made to your provincial government in so far as the relief of distress growing out of unemployment is concerned.
>
> Noting your reference to the C.N.R. giving orders for and banking coal, would advise that while I shall be glad to transmit your message to the Minister of Railways, you, I am sure, must be awere that the Canadian National Railways are operated independently of government interference in any way, and we could therefore use no more pressure on the Canadian National Railway in this matter than we would feel disposed to use in the case of the Canadian Pacific Railway.

A number of telegrams and letters have come from time to time trying to impress upon the government or ministers of the government the necessity of compelling the Canadian National Railways to buy more coal than they say they need and to bank that coal for future use. The railways have taken the position that they do not desire to use banked coal in many cases, and that it is not necessary to use banked coal which deteriorates, and as a matter of fact at some of the coal mines, at least two of them at Sydney Mines, my understanding is that the coal could not be banked in any case, and that the only time those mines can work is when there are orders for the product and it can be shipped directly to the buyer.

Now the reason that I am reciting these facts is to show that we have had this contention that my hon. friend has brought before us to-day, yesterday, and for many months past and even during the past two or three years; I do not think that it is any exaggeration to say that it has been to a greater or less extent before the federal government for the past twenty years.

Let us look for a moment at the figures of employment down there, which I want to assure my hon. friend do not appear to be very much worse right now, so far as the operation of the mines is concerned, than they have been during the past year. During the year past the mines have not worked anything like continuous time, and as a matter of fact the average time, according to my advice, that miners work in Nova Scotia is from 173 days a year to 202 days a year. If they can work 202 days a year, my advice is, they think they have had a fair amount of work, and they think they have been pretty well taken care of. Personally I do not believe many hon. members of this House would think they were in very good shape as workmen if they were permitted to work for only 173 or 202 days a year. But the working days have not been even that good during the past year. We find that the Dominion mines at Glace Bay, for the week ending February 14, worked 67½ days. That is 6,117 employees in 12 mines worked 67½ days for the week; that is almost full time—a little better than five days' work per week per man while over at Sydney Mines two collieries with a working force of 2,106 employees only worked 5½ days which would amount to less than three days' work per week per man; and in other mines the conditions have not at times been that good. When the miner's committee and the various coal companies decided on December 31 last that they could not reach an agreement on a new wage scale, they did agree that the present wage rate would continue until the board of investigation had investigated the then existing situation and had filed its report. The company on their part agreed to work all the mines for which they could get orders, and so far as the department is aware that has been done. The men have worked all the days when there were orders

for the mines to fill, but that has not been sufficient to give full time either during the period that has elapsed since January 1 last, or for many months prior to that time. The conditions, so far as I know, are almost identically the same now as they have been for many months past. And so, Mr. Speaker, it is popular for certain individual labouring men, their wives and their families, not only in Nova Scotia but in Alberta, in British Columbia, and in other provinces, whenever they are in distress or want, whenever they think that something should be done and that something must be done to alleviate certain conditions of which they complain, to make a claim on the federal treasury, to make a demand that the federal government come to their assistance and provide the wherewithal with which to change their existing situation.

Mr. MARTELL: Will the hon. gentleman permit me a question? Had not the miners of Cape Breton, apart from the steel workers, the majority of whom are native-born Cape Bretoners, as much right to come to this government and demand that they be protected and that things be done for them as the people of the west have to demand that we give them the Crowsnest pass rates at the expense of the rest of the Dominion?

Mr. MURDOCK: I think it has been said that every British subject has a right to approach the foot of the throne, and they have hardly got there when they have come to this parliament. The point that is here involved is whether, having regard to the individual citizen or a body of citizens in any province of the Dominion,—whether they be farmers in destitution in some part of Alberta or Saskatchewan, or lumberjacks in hard luck in some part of British Columbia, or miners down in the Kootenay district or elsewhere in distress,—it is consistent and proper that this federal government should undertake to vote money in order to take care of the situation that may be complained of.

Before closing, I want to say just one word about the proposals for arbitration that were set forth by the Winfield board. As the hon. member for Centre Winnipeg (Mr. Woodsworth) has said, the miners indicated about January 1 that they would not have anything to do with a board of investigation; that they had no confidence in the company's request for a board, and that they had no confidence in the intention of the company after the award of the board had been filed. They have maintained that position very consistently and respectfully from that date to this. In my judgment they were justified in taking and maintaining that position, for the simple reason that their experience has been that investigations by boards supposed to make inquiries into questions affecting their conditions have never been what they should be, nor as definite, deep and searching as they should be to get at the truth and the facts involved. The Winfield board on 9th February arrived at what was a unanimous expression of opinion. And the House will please follow me by recalling that when this board was asked for, no decision had been rendered that the federal government had no right to appoint this board; that decision, which came later, on the 20th day of January, made the action that had been previously taken indefinite as to the final result. But we went ahead and the board agreed to function in order to see what could be done. Later, on February 9, it expressed the unanimous opinion indicating what, in its judgment, should be done in the matter of further investigation.

Mr. MARTELL: At the time that this board was appointed and before it had begun to take evidence, a decision had been rendered by the Judicial Committee of the Privy Council that the federal government had no jurisdiction in these matters. These men were then simply in the office of mediators. The miners were not represented and the native-born Nova Scotian who was a miner was absolutely right in not accepting the judgment of this board or any other board. Mr. Winfield is a corporation man in the province of Nova Scotia.

Mr. MURDOCK: My hon. friend is correct in stating that when the board was finally constituted the decision of the Privy Council had been handed down. The fact remains that the Winfield board went ahead and expressed certain unanimous opinions as to the constitution of a real board of inquiry to go into all phases and causes of the now existing dispute and the disputes that have existed and occurred from time to time during the past many years. It must be remembered that the Winfield report was only being despatched from Halifax to the Labour Department on the 9th day of February; but a peculiar co-incidence is, that on the same date there started from Halifax to Sydney from the vice-president and general manager of the companies to the miners a considerably different proposal as to the formation of a board of inquiry to go into this controversy and, if possible, reach a settlement. As I think the hon. member for Centre Winnipeg placed on the record the report of the Winfield board, I want to place on record the proposals of the company of the 9th day of February. This was ad-

dressed to J. W. Macleod, president, and Alexander A. McKay, secretary-treasurer, district No. 26, United Mine Workers of America, Glace Bay, N.S. It reads:

In our letter of even date we have explained our objections to the propositions involved in the resolution therein referred to and why we think an attempt to work out your suggestion in any concrete form would not result in a satisfactory settlement.

We now submit the following proposition, namely:

That the company and the U. M. W. of A. enter forthwith into a contract to continue until the 30th of November, 1926, providing that,

(1) An impartial committee of investigation be constituted by either one or two members being appointed by the representatives of the employees and the same number by the company. These representatives to appoint a chairman and if they fail to agree on such appointment such chairman to be appointed by either the Chief Justice of the Supreme Court, of Canada, the Chief Justice of Nova Scotia, or the Acting Chief Justice of the Superior Court of Quebec, at the option of the representatives of the employees.

(2) Such committee so constituted to have power to investigate:

(a) All matters in respect to the company relevant to the question of what rates of wages the company can reasonably be expected to pay under existing conditions:

(b) All matters relating to the U. M. W. of A., district 26, in so far as such matters may affect the present situation.

(3) Such committee to have power, after such investigation, by its report to establish a scale of wages to be effective from the date of the acceptance of this proposal until November 30, 1926, and the company and the employees to respectively obligate themselves to accept such a scale of wages.

(4) Pending the report of the committee and from the date of the acceptance of their proposal the company to pay the 1924 scale of wages less ten per cent. After such report such wages to be readjusted to conform to the rates thereby established.

(5) All evidence given before the committee shall be treated as confidential and the committee shall make public its findings only.

(6) If the committee deems it desirable that evidence be taken under oath it may apply to the Governor-in-Council to be constituted a commission under the Public Inquiries' Act of the Province of Nova Scotia.

(7) The report and recommendations of a majority of such committee shall for the purposes of this agreement be deemed the report of such committee.

That is the proposal now from the company to the employees. Personally, I do not blame the miners of Nova Scotia if they do not accept any such proposal as the basis for appointing a board of inquiry, because I do not think such a board of inquiry would get any further than many boards somewhat similarly constituted have in arriving at true and actual facts as to the composition of the company, its stock, whether actual or watered, and many other things that should be considered in arriving at the true facts.

Some one may say that I should not say these things, and if they do, I shall not take issue with them. It may be that someone under our constitutional rights, yes, and our constitutional restrictions, might observe very curtly, "That is none of your business". As I pointed out in my opening remarks, Nova Scotia owns the coal mines; Nova Scotia leases the coal mines; Nova Scotia secures a royalty on every ton of coal mined from those coal mines; Nova Scotia issued the charter to the company which operates the mines; Nova Scotia has exclusive jurisdiction over property and civil rights within the province. And all these things being so, if anyone unkindly, or for any reason at all, informed me that I had no right to criticise a proposal for investigation, that it was none of my business, I suppose I should have to accept that without protest. But I think, indeed I hope, that this discussion may go far enough for us to get right down to brass tacks and determine whether this canker on the industrial life of Canada should be permitted to exist any longer. Personally, since taking this seat in the House, I have felt much more strongly on this particular situation than may be indicated by anything I have expressed to-day. At the same time, however, I recognize some of the things involved in the partnership of authority entrusted to us as representatives of several autonomous governments carrying on the public business here in Canada. In this particular situation which my hon. friend from Centre Winnipeg (Mr. Woodsworth) brings up to-day, the federal government has no direct authority although of course it can give ear to the suggestion of the hon. gentleman to vote out of the treasury of the Dominion any amount necessary to provide relief for those who may be in distress in the vicinity of the mines of Nova Scotia.

Mr. ARTHURS: Would it not be just as logical for the government to vote the $5,000 requested by the municipal associations of Sydney Mines—I am simply quoting what I have heard in this regard—as to afford relief to the extent of millions for seed grain in the west, or relief to Home Bank depositors?

Mr. MURDOCK: My hon. friend may be right, but if I were to follow that line of argument I should have to consider this fact, that the federal government has considerable latitude of authority in dealing with questions affecting agriculture. The federal government spends millions of dollars each year in the improvement of agricultural conditions from one end of Canada to the other, and it might be very properly held, although I have not gone into the point, that the particular seed grain transaction to which my hon. friend refers was directly in keeping with its authority in agricultural matters.

Mr. MARTELL: I would ask the minister this question right here and now. Why does

the Department of Agriculture persist, through the Civil Service Commission, in calling for applications to fill various vacancies while the people of Cape Breton are left to starve?

Mr. MURDOCK: I must ask the hon. member to refer that question to the Minister of Agriculture (Mr. Motherwell).

Mr. GOULD: Is it not a fact that the moneys that have been advanced in the interests of agriculture in regard to which complaint is made were a loan and not a gift? It has to be repaid.

Mr. ARTHURS: It was never repaid.

Mr. GOULD: It is secured by mortgage.

Mr. MURDOCK: Somebody is next, I do not know who. However, if I may be allowed to continue, I have just a few more words to say in conclusion. If there were any consistent way in which, having regard to our authority, we could do something in the way my hon. friend from Centre Winnipeg suggests, to alter existing conditions in Cape Breton island, I would be one of the most pronounced supporters of just such action. But I would add this, in no disrespect but with all consideration for what is involved in the question, if ever the old adage was true, that charity and assistance begin at home, surely it is true in this instance, when we find an autonomous government receiving some $600,000 a year in the way of royalties on the mining of that coal, and having complete jurisdiction over the questions that are here involved. Is not that government the proper body to receive representations for assistance and such action as may be necessary to ensure, if possible, that never again shall similar conditions of unrest occur? It seems to me, Mr. Speaker, that this view should be recognized by my hon. friend from Centre Winnipeg as well as by others in this House.

Mr. T. L. CHURCH (North Toronto): During the past three sessions of parliament I have moved in this House resolutions relating to a national coal supply for the mines of Nova Scotia and Alberta, and in all of those resolutions I have suggested a remedy for the present unfortunate state of affairs described to-day, namely protection and bonuses. Three years ago I offered a cure for the ills of Nova Scotia particularly, so far as the mining situation is concerned. For the unemployment that exists in connection with those mines and unemployment generally in Canada someone is certainly responsible, but quite evidently there is a desire on the part of all who are concerned to evade that responsibility. We are told by the Prime Minister (Mr. Mackenzie King) and the Minister of Labour (Mr. Murdock) that the provinces and municipalities are responsible for unemployment—under the British North America Act—while they in turn disclaim the responsibility. The government is charged with the work of bringing immigrants to this country to the large centres of population, and although it has control over the tariff the Minister of Labour claims that the province of Nova Scotia should take care of the situation. It seems that there is, as the military men say, a general passing the buck. The fact of the matter, however, is that at the present time the government of Canada is affording relief to the mines of Nova Scotia. Last session there was placed in the estimates some $200,000 as a bonus for the carrying of coal from Nova Scotia to central Canada, the object being to enable the mine owners to keep open and to encourage the government of Nova Scotia to give what assistance it could towards the relief of the miners and secure a market for Nova Scotia mines in central Canada. That bonus served the purpose of keeping some of the mines open and of encouraging the owners to pay their men more liberally and work some mines better than they had done before, so that it did a great deal of good in those places. It seems to me that one way in which the government might meet the present situation would be to extend the bonus principle. By putting an embargo on coal we would soon find that every pound of coal used in Canada would be mined and coked under the British flag—it would come from the Maritime provinces, from Alberta and from Wales. In that way the government would be doing something to solve the unemployment problem and develop a national coal policy.

The condition of affairs in the coal industry of Cape Breton is not a local one by any means; there is unemployment all over the Dominion, and it is at its worst in some of our cities in central Canada, particularly in the city from which I come. I am not interested in propaganda on behalf of any party, but I am interested in finding work for the unemployed in my riding. The government declares that it has nothing to do with unemployment, that it is purely a provincial and municipal matter. Well, the fiscal policy and the immigration policy of the government are largely responsible for the economic condition of the country to-day, and I submit that the federal authorities should shoulder their share of the burden of solving the problem of unemployment. Allow me to repeat a few paragraphs from an address on protection during the last budget debate May 5 1924.

outlining what I believe to be the cure for the economic ills with which the maritimes and Nova Scotia are afflicted at the present time:

> The principles of the good old National Policy should also be applied to join the coal fields of Alberta to the furnace and kitchen stoves of a great section of Ontario. The coal fields of Nova Scotia should also share with Alberta the benefits that would follow an attempt to apply the principles of protection to the problem of Canada's coal supply. My motto is Canadian coal for Canadians. The principles of protection should fast be organized into an economical system that will ensure an all-Canadian or other all British supply of fuel to take the place of the almost 3,000,000 tons of American anthracite and almost 11,000,000 tons of bituminous coal consumed in this country. The exact figures are 2,814,650 tons anthracite and 10,583,396 tons bituminous coal imported from the United States in the last year of record. Let the supply of all-Canadian or other all-British coal be assured, and then put on a duty that will not permit a ton of American coal to be sold in Canada. Canada's money now goes out in payment for $24,705,536 worth of American anthracite, and $39,281,245 worth of bituminous coal, every year. These figures mean that Canada's coal bill pays $32,000,000 in wages to 15,000 United States workers every year. These figures mean that Canada's coal bill maintains United States workers and their dependents almost equal in number to the population of Ottawa. These U.S. workers and their dependents should be Canadian workers and their dependents, earning good wages around the coal mines of Alberta and Nova Scotia, and helping to supply a home market for the products of Canadian agriculture. The distribution between Nova Scotia and Alberta of the $64,000,000 that now goes to pay Canada's yearly coal bill to the U.S. would help to spread prosperity beyond the bounds of these provinces.

Now, what did Hon. Mr. Armstrong the Premier of Nova Scotia say in reference to this policy? He came up to Ottawa a few weeks ago and advocated a policy of bonuses and protection for the Nova Scotia mines; he even asked that an embargo be placed on United States coal for the maritimes' benefit. This is a concrete case; there are others. As I have already said, unemployment is not confined to the coal industry of Cape Breton, and probably no province is suffering more from industrial depression and unemployment to-day than the province of Ontario. The Rev. Canon Vernon of the social service department of the Anglican church of the diocese of Toronto delivered a sermon recently on the hardships which the unemployed of our cities and towns are suffering in Toronto and elsewhere. Let me remind hon. members that the Anglican church minds its own business; it is not interested in the propaganda of the Minister of Labour or any other minister; it is interested in solving the unemployment problem and other social problems, and that problem concerns primarily the government through its immigration policy, its fiscal and transportation policy and its banking and trade and commerce policy, notwithstanding what the Prime Minister (Mr. Mackenzie King) or what the Minister of Labour (Mr. Murdock) may say with respect to the responsibility of the provinces and municipalities in this matter.

]Mr. Church.]

The unemployed question is the most difficult problem we have. It is one for the federal government who should be assisted by this parliament and by the provincial governments, by the municipal authorities and by the churches to alleviate the distress arising out of unemployment.

It is only by enlisting the ability, the heart, the intelligence, and patience and energy and courage of every citizen that we may hope to improve the present condition of affairs of unemployment in Canada, whether in the coal mines of the Maritime provinces or in any of the other industrial activities of the Dominion.

We were told by the Minister of Labour last session—for this is not the first time the subject has been brought forward in this House—that the government's contribution for the relief of unemployment had decreased from over one million dollars in 1922-1923 to only four thousand dollars in 1923-24.

Mr. MURDOCK: Might I ask my hon. friend if he does not know that that four thousand dollars was for unemployment relief of returned men?

Mr. CHURCH: No. Mr. Speaker, I have lived in the city of Toronto and know something about conditions there. The Minister of Labour may have his agents, his subagents, his filing clerks and the regular retinue of a standing army on the payroll supposed to take care of unemployment, and he does nothing; but when it comes down to the depth of winter, when in December and January immigrants from the Old Country are being dumped on the city of Toronto, the time has come for the government to do something. The city of Toronto, which contributes over $100,000,000 to the exchequer, and receives only about all told $281,000 in return, in the estimates, does not want to sponge on the federal government for the relief of her unemployed or for anything else; it will pay its part but not take care of all Canada, and our city does object to having 4,500 unemployed from the harvest fields of the west and other districts dumped on the streets of Toronto The various civic and charitable organizations all help the cause. Also the St. George's and other societies, the churches and other charitable organizations do their part, while as a matter of fact the government of Canada is responsible primarily for the conditions which have brought about such

widespread unemployment, and therefore should contribute towards its relief. I have many cases of distress brought to my notice every day when I am in Toronto, and some of these people from the Old Land, new immigrants, I find were told by the immigration officers and the agents of the transportation companies that there was plenty of work for them in Canada. Surely such misrepresentation should be checked up and those responsible summarily dealt with. I am not interested in propaganda either for or against the government, but I do plead with the government to give assistance to those unfortunate people who are out of work and in distress through no fault of their own. In days of stress and strain like these a little heart is wanted and a united effort to solve this great problem between the federal, provincial and municipal authorities all acting in unison. As one who has been in touch with unemployment in the city of Toronto I submit that it is the duty of the federal government to co-operate with the provinces and with the municipalities. Premier Ferguson of Ontario told his legislature the other day that unemployment was not a matter for the province but was a matter for the Dominion. He said, however, that he was driven to taking some action, so he brought down legislation, along the line of a measure passed by the Union government in 1917 or 1918, of aiding municipal works on a difference of cost basis to aid unemployment and so the Ontario Legislature voted $200,000 for this purpose. I do not say that the Minister of Labour is to blame for the condition of affairs here, but I do think he might show a little more heart in dealing with the problem, especially when conditions are as they are to-day. The minister told the House last session that he was going to call a conference of all the provinces and municipalities on the question of unemployment, but that conference was a farce and broke up without any tangible result; the minister took one stand, the provinces another and the municipalities still another, and the representatives of the municipalities went home very much disappointed. This question is one of the most important that parliament has to face to-day. Recently the House dealt at some length with an academic question relating to the British North America Act which, by the way, is now being held up by the federal government as a justification for its not taking any part in the matter of the relief of unemployment. But any measure of temporary relief, while it may tide the unemployment over the difficult period of a month or two will not by any means solve the final question of unemployment for the future. It is not a question of propaganda; it is not a political question, it is rather an economic question and there should be united effort on the part of the Dominion, the provinces and the municipalities, the church and the nation, to deal with it in some effective way and employing the best intellect, heart and intelligence to solve it one and all.

I understand that a deputation was to meet the government with regard to unemployment to-day from western Ontario; for there is considerable suffering from unemployment in London, Hamilton and in many other cities in western Ontario. I am informed, however, that the deputation was headed off by telegrams in which they were told not to come by the Minister of Labour, otherwise they would get the same answer that had been given on a previous occasion, namely, that unemployment is not a matter for the Dominion government. Public opinion is not satisfied with the way this parliament has dealt with the question of unemployment. It has been made a football of and has been kicked about to and fro from the municipalities, the provinces and the Dominion, while in the meantime many men, women and children are in dire need and want and are being kept by the municipalities. In Toronto this winter $800,000 of the taxpayers' money was used in relief to the unemployed. What else can they do? They cannot let these people starve on the street. In Toronto they maintain a house of industry and almost every church and charitable organization in that city has its social workers' organizations all doing their part and trying to look after their own unemployed. A large number of the population are out of work; of some we know nothing about, because many people are too high spirited to report to an employment bureau that they are out of work. In my whole experience as a resident of the city of Toronto I have never known of as much suffering from unemployment as there has been during the past winter. I refer to Canon Vernon in this connection; he preached a sermon a week ago last Sunday morning in the St. Simon's church, Toronto, and speaking of the dire state of affairs in that city he said:

> The relief of the unemployed alone can never meet the needs of the case. . . . The nation, the province, the city and the church must consecrate their best in intellect, heart and conscience towards the solving of the problem of unemployment.

The medical health officer of the city of Toronto, Doctor Hastings, a man of conservative views who is at the head of a large staff, has reported to the city council, through his social workers, that conditions with re-

spect to unemployment have been worse in many phases this winter than ever before. There are always three views to a question, your own, the other fellow's and the right view. The Minister of Labour evidently thinks there is on the question of unemployment only his view, but I ask him not to forget the other fellow's view—He asks for bread and you give him a stone. I suggest to him that instead of blaming the British North America Act for all the diseases this country is heir to, including unemployment, he should remember as I again repeat that there are three views on this unemployment question, your own view, the other fellow's view and the right view. I hope the minister will not fail to consider all these views and that he will give consideration to the representations of the municipalities and provinces.

References to this matter have appeared in the government organs and in the press generally; and here is an article which appeared in the Globe last week complaining about the unemployment in Toronto. They appear often in the daily press there.

Mr. SPEAKER: I do not wish to criticize anyone or to curtail debate, but I would point out that the rule is very clear with regard to the debate on motions of this nature. It says:

A motion to adjourn (except when made for the purpose of discussing a definite matter of urgent public importance) shall always be in order.

I have stated that I had some doubts as to the right of the hon. member (Mr. Woodsworth to bring this matter up in the form of a motion to adjourn the House to discuss a matter of urgent public importance. That doubt still exists in my mind, but I have given the hon. member the benefit of the doubt and the House has agreed that he discuss the matter. But I would ask hon. members to confine their remarks to the question at issue, namely, the distress prevailing at Sydney Mines. Any discussion of unemployment in Toronto, Montreal or elsewhere is not in order on this motion. The matter involved is a matter of definite public importance; it is specific, and the debate must be restricted to what is dealt with in the motion. I would therefore ask hon. members to respect the rule of the House in this regard.

Mr. CHURCH: Thank you; I have just about finished, Mr. Speaker. Your ruling is fair and correct. I am quite willing to confine my remarks to the situation in Cape Breton. But the problem of unemployment in Cape Breton will never be solved unless we apply a national policy with bonuses and a tariff wall—unless we have a system of national fuel supply. And this national policy should take care of the owners of the mines, the workmen in the mines, the labour problem in the mines, wages and production in the mines and their development along national lines. I have here a clipping which shows that out of 5,000,000 tons of coal shipped into the province of Quebec last year, 3,000,000 tons came from the United States and only 2,000,000 tons from Cape Breton. Under a national policy all the coal Canada needs should be mined and coked under the British flag and secured from Nova Scotia, Wales and Alberta and not a pound from the United States. I firmly believe that if the government would apply the National Policy to the mines of Cape Breton and Nova Scotia, it would get rid of the labour difficulties there, and get rid of unemployment. It would be doing something in a practical way to meet the situation. I am not unmindful of the difficulties of the government regarding unemployment, and I am quite aware that a policy that has been followed for sixty years cannot be changed in the twinkling of an eye, but I do believe the policy I advocated for the past four years, the National Policy, is right and that Premier Armstrong, of Nova Scotia, is quite right in coming to Ottawa and asking this government to sit down and consider what shall be done for the coal miners and the coal operators in his province, along bonus and embargo lines.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, as you have just remarked, the hon. member for Centre Winnipeg (Mr. Woodsworth) moved the adjournment of the House to discuss a matter of urgent public importance, and you, Sir, expressed the view that there was some doubt in your mind as to the wisdom of permitting the motion, having regard to what I assume you considered as the local nature of the issue which was being brought before the House. I think the wisdom of your doubt in the matter, if I may say so, has been very emphatically disclosed by the despatch which has just been sent out to the country by the Canadian press reporting the action of Premier Armstrong, of Nova Scotia, this afternoon, in reference to the matter here under discussion.

The hon. Minister of Labour (Mr. Murdock), in replying to the hon. member for Centre Winnipeg, stressed the point that inasmuch as the government of Nova Scotia owned the mines of Nova Scotia and, inasmuch as matters respecting mining come under the jurisdiction of the province of Nova Scotia, doubtless the Premier of Nova Scotia would himself be more familiar with the situation

and the adequate means of meeting it than any other person, and that it was a matter essentially and primarily for the province of Nova Scotia to consider.

The hon. member for Centre Winnipeg stated that his object this afternoon in making the motion he did was to give publicity to the men's side of the case, and to urge upon this government that a commission of inquiry be appointed to inquire into the facts. Now, Mr. Speaker, if we had accepted what the hon. member for Centre Winnipeg suggested this afternoon and had agreed to appoint a commission to inquire into the facts, what would have been the consequences? The consequences would have been that while this House had agreed to appoint a commission to inquire into the facts, we should have discovered that the government of Nova Scotia had also agreed to appoint a commission of inquiry, and had so notified the parties at the very time the discussion was taking place in this House. I mention this matter in the form in which it has come before me at the moment as an illustration of the importance in this parliament of clearly distinguishing between the matters that properly come within the scope of discussion here, and those which more properly belong to provincial jurisdiction. A great deal has been said about unemployment, questions of local distress and the like. The government has no desire in any way to ignore any situation that may be of consequence to individuals or localities in different parts of the country, but so far as the business of government is concerned, those who have had to do with the framing of the constitution of the country have thought it wise to suggest, and in some cases to define very clearly, a division of labour between the federal government and the governments of the several provinces, and I submit, without going into a discussion of legal rights under the British North America Act, that the more one views these questions in a broad way, the more one will see the wisdom of leaving to local governments, to provincial governments, questions of local and provincial concern, and of confining the discussions of this parliament to matters that are essentially of national concern.

Here is the communication which has been sent by the Premier of Nova Scotia this afternoon to the parties who are immediately concerned in the difficulties in the 5 p.m. mines there. I think it grants all that the hon. member for Centre Winnipeg has requested to-day in the way of investigation into conditions and also points a way to a possible solution of existing difficulties. The communication is addressed to J. E. McLurg, Vice President, British Empire Steel Corporation, Limited, Sydney, N.S. and to John W. Macleod, President, District No. 26, United Mine Workers of America, Glace Bay, N.S. It reads:

Dear Sirs:

As the result of recent conferences with you individually, we had an opportunity of quite fully considering the difficult, and in many respects delicate situation with which you are now confronted. Permit me to express my personal appreciation as well as that of the government to you both for your very frank presentation of your respective attitudes. In view of the public importance of the issues involved, and with the earnest hope that the present involved situation may be more satisfactorily solved, I beg to submit for your respective and joint careful and early consideration the following:

(1) I am advised and convinced that the British Empire Steel Corporation is about to take such immediate action as will put into effect a decision of that corporation to reduce the present or 1924 miners' wage scale by at least 10 per cent. It would further appear that the method of giving effect to the above decision on the part of the corporation will be the posting of a notice to that effect at the various collieries affected.

(2) It is quite apparent from the correspondence exchanged between you:

(a) That the miners under circumstances as now existing will positively not accept any reduction in present wage scale.

(b) That if such a notice is posted it will result in cessation of work on the part of the workmen. The situation would then resolve itself into a contest of endurance, involving loss and privations to both parties, and great injury to the public interests. It might, and probably will further estrange the parties directly interested, the corporation and the employees. This is a plain statement of a situation which I am convinced both sides to the dispute wish, if possible, to avoid.

(3) Having given the best possible consideration I can to what has been stated by you and to what has been made public to date by way of correspondence between your respective selves and those you represent, and with a view of using our good offices to bring about some means whereby:

(a) Cessation of work may be averted,

(b) The future may be regarded with more hope,

I am therefore submitting herewith to the British Empire Steel Corporation and the constituent companies interested, viz: the Dominion Coal Company, Limited, the Nova Scotia Steel & Coal Company, Limited, and the Acadia Coal Company, and urge and recommend its acceptance, that they agree with their employees, being members of District No. 26, United Mine Workers of America, to continue the present rate of wages during the inquiry to which I shall hereafter make reference, and for such time thereafter as shall be necessary for the findings of such an inquiry to be made public or as such an inquiry may direct. I make this recommendation because I am satisfied that the proposed reduction in wages is the outstanding impediment at present to be removed.

(4) That the company will agree to work the mines to the limit of their demand for coal and otherwise continue the work at the mines as if no investigation was being made. In other words, that the corporation will not deliberately reduce the quantity of coal raised from day to day pending a final settlement of the dispute.

(5) On the understanding that the foregoing suggestions are mutually acceptable and agreed to, I beg to respectfully recommend and urge upon the workmen and their representatives that the workmen agree to work at their regular occupations at the present rate of wages during the time intervening between this proposed agreement being entered into and the report and findings shall have been rendered.

(6) In view of the fact that both parties to the present differences apparently agree upon the common ground that an inquiry is desirable, and in view of the fact that the Winfield Conciliation Board so-called has unanimously expressed the opinion that a fair and impartial inquiry by a competent authority, with a view to ascertaining the actual necessary cost of mining, transporting and selling coal, the ability of the companies to pay a rate of wages satisfactory to the employees, to earn a fair return on capital invested, and the bearing which the attitude and action of the employees have in relation to the efficient and profitable carrying on of operations and without which no permanent improvement in industrial relations can be expected until complete confidence is established between operators and employees.

And that such a result may possibly be brought about by such an inquiry, on behalf of the government if the above proposals are agreed to or, as an alternative, unless you in the meantime intimate to me that you have mutually agreed upon another method. I propose at the earliest possible date to recommend to His Honour the Lieutenant Governor to cause such an inquiry to be made under the provisions of the Nova Scotia Act of Inquiries concerning Public Matters, chapter 13, Revised Statutes 1923. It seems scarcely necessary to point out to either of you that the person or persons so commissioned or appointed by the lieutenant governor have the same power to summon and call for witnesses and enforce attendance of witnesses, to compel the giving of evidence and the production of documents and things as is vested in any court of law in civil cases and of requiring such witnesses to give evidence on oath, etc., and generally to do all things that the person or persons so appointed deem requisite, "to the full investigation of the matters into which he or they are appointed to examine". I need not intimate that inquiry under such a commission must be undertaken, conducted and concluded without delay.

(7) It is confidently anticipated that, as you have each respectively intimated your desire to the public for an inquiry, you will each facilitate in every reasonable manner the work of such an inquiry and furnish such witnesses, documents, etc., as may be essential to make it full and complete.

(8) It must be further agreed that the rate of wages determined by the person or persons so appointed shall be paid by the corporation from and after such date as shall be fixed after all the evidence shall have been heard and considered, and the corporation will be requested and required to give assurances that the findings of the inquiry in the above respects will be accepted and the wages paid in accordance with the terms of such findings.

(9) Further, it must also be agreed, in order that such an inquiry be not made abortive that the employees will agree to accept its findings as regards the rates of wages to be paid.

(10) Should the parties fail to mutually agree as to the period of time the rate of wages fixed and determined by the inquiry are to prevail, the government or myself would be pleased if necessary to use our good offices in discussing them with you.

This letter is going forward to you both by the same mail, and is respectfully submitted for your careful and let me hope favourable consideration. Both the government and myself will hold ourselves in readiness at any time to render any assistance we reasonably can. I must, however, impress upon you both that in the public interests, as well, I trust, in your own, that you advise me without delay of your respective decisions.

I have the honour to be,

Very truly yours,

E. H. ARMSTRONG,

Premier.

[Mr. Mackenzie King.[

Mr. IRVINE: When was this document issued?

Mr. MACKENZIE KING: What I have just read to the House, as I intimated at the outset, is a Canadian press despatch, which came this afternoon from Halifax, Nova Scotia, and which may possibly appear in the evening papers. It came to hand during the course of the debate, and I thought it advisable to read it to the House immediately, because it illustrates effectively the point which the hon. Minister of Labour (Mr. Murdock) was seeking to make a moment ago, that this is a matter primarily for the province of Nova Scotia to deal with. It makes clear that the province of Nova Scotia itself has so regarded the question and that the Premier and government of Nova Scotia, as the communication states, have been in active communication with both parties during the past few days. They have agreed to appoint a commission to go fully into the existing situation, and have worked out a solution, or rather what they hope may prove to be a method of solving the difficulties which exist. I submit, as far as our service in the matter is concerned, that we can best help this situation at this time by not interfering in it at all. When the government of a province is seeking to deal with a difficult question such as this controversy in Nova Scotia at the present time it would certainly appear a part of the duty of all other organized governments when requested so to do at least to lend as much co-operation as they can in a friendly way; but unless requested to refrain from interfering in a situation which the parties more immediately concerned are doing the best they possibly can to remedy.

I know that for some time past Premier Armstrong has been doing his utmost in an endeavour to have the difficult situation in Nova Scotia satisfactorily met. He did, as the hon. member for North Toronto (Mr. Church) mentioned this afternoon, come to Ottawa some little time ago to request the government to use its influence with the Canadian National Railways to place orders for coal. I told Premier Armstrong perfectly frankly that our policy was to leave the Canadian National Railways to the direction of its president and its officers and board of directors, that we could not interfere in the management of that road, and that the government could not bring pressure to bear on the management of the road to purchase coal which might not be regarded as necessary by the railroad, or to do what has been suggested in some communications here, to bank a quantity of coal

which would deteriorate over a course of time. I made that perfectly clear to him, but I said at the same time that I would not feel that I was in any way infringing upon the policy of the government in the matter if, when I saw Sir Henry Thornton, I were to place before him what he, Premier Armstrong, had said and were to ask him to take this matter into his consideration and have it considered by the directors of the railway. I did see Sir Henry Thornton subsequently, and I expressed to him what Premier Armstrong had stated to me about the situation which was developing in Nova Scotia and about the possible help the Canadian National Railways might render if they could see their way clear to place orders for coal at this time. Sir Henry Thornton told me he was just as much alive to the situation as Mr. Armstrong was, or as this government was, and that naturally he would do what he could to help meet the situation and go just as far as he could, but that he had to consider the interests of the railway, and he did not propose to take a course he could not justify to his own directors, and which they would not be in a position to justify to the country.

The different parties who have had a chance to deal with this matter at all, have all appreciated, I think, the seriousness of the situation and all have been ready to co-operate and to help to the extent of their ability and opportunity; but I submit to continue this discussion longer, in view of what we now know, namely, that the government of Nova Scotia itself has offered to-day to appoint a royal commission to go very fully into the whole matter, is not at this stage to render a helpful service, but may possibly serve only distinctly to impede the very promising result that we all trust may be achieved.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): Notwithstanding the suggestion of the Prime Minister (Mr. Mackenzie King) that this debate close with his address, I am going to venture to offer a few remarks upon the motion. An hon. member has not the right to comment either adversely or favourably on a decision of the Chair. I only make this remark, that I am very glad indeed that the rules of the House are not such as to prevent a case of distress extending over thousands of people and carrying them to the verge of starvation from being debated in this House when presented bona fide by an hon. member. The allegation in the motion is that large numbers of men are on the verge of starvation in the district of Cape Breton. The facts in support of it go to show that there are but two, and indeed that there is possibly only one, cause for this distress. The main burden of the contention of the hon. member for Centre Winnipeg (Mr. Woodsworth) was that there was an acute shortage of work and that there had been for many months in this district; and he complained as well—and seemed to attribute to the complaint some importance—of friction between the company who employs these men and the men themselves. I would not gather from the facts he adduced that there was any evidence that any part of the difficulty was a friction between the company and the men, or at least such friction as the action of this government or the action of the local government of Nova Scotia could, by investigation or any other similar means, remove. Digging down deeper into the whole substance what was it? What was the case the hon. gentleman presented to parliament? Was it not a case of men hungry for toil? Was it not a case of men wanting a chance to earn their living by the sweat of their brow and not able to find that work? Was it not a case of a company not being in a position to sell the goods that they might produce in order to give work to the men? What is the history of the whole subject? I know that in years gone by, extending back for at least four or five, there has been friction between the British Empire Steel Company and its men. I know that even in days of fairly satisfactory employment there have been numerous strikes, the company contending that they were paying a fair wage, the men contending the opposite, and that these strikes have been submitted for arbitrament, the result of none of which has been wholly satisfactory. On the one side it was argued very vigorously throughout the whole of Nova Scotia that this company was over-capitalized, that it is a great aggregation of a long series of successively watered stocks, and, as well, that it is overmanned in its higher official service. I heard to-day an allegation that I had not heard before, that it was engaged in the bleeding of its assets by letting contracts to companies in which its directors were interested. I do not stop to comment at any length on the correctness of any of those allegations, and I will later explain why. I make only this comment: That the company is highly capitalized, there is no question. I do not know whether it is overmanned or not. I have heard just lately in the House that there has been a reduction, and I think there would have to be, considering the state of business. I know nothing whatever as to whether it is bleeding its assets in order to give unjust benefits to its associates. But I think all will realize this,

that you cannot attribute to watered stock at this time the difficulties which now prevail. When watered stock is used as a basis of a claim for dividends, then it certainly becomes a question whether it should be allowed to remain so watered. But when there are no dividends and no question of dividend arises, the difficulty cannot be laid at the door of watered stock. Incidentally may I say that if any blame is attributable anywhere for over-capitalization of this concern or its authority so to capitalize, all members of this House know now, though one did not know just a few years ago, that that blame cannot be laid at the door of any government of Canada, that it lies at the door of the present government of Nova Scotia which gave the company its charter.

Why do I say that other questions really do not arise? Because it seems to me that from the facts presented not only by the hon. member, but from communications which have reached me from the mine workers, signed on their behalf, from communications which have reached the government from the provincial authorities of Nova Scotia, from communications that appear with much prodigality throughout the press, the real core of the whole matter is a want of work, a want of industry; and when you have that condition then you could appoint all the commissions that any government, whether provincial or federal, could find paper to issue commissions upon, and you would be only dishing out palliatives that get nowhere. How is it possible to adjust the dispute if the actual state of affairs is that, on account of paucity of orders, lack of industry, lack of work, you cannot arrive at a medium between the two parties which is not unjust to both? I ask hon. members if that is not the real situation. I ask hon. members to read this really pitiful petition of the United Mine Workers of America. I do not doubt that many in this House have read it. I ask them to read this presentation, not by a Tory reactionary, not by any of those vicious characters who, in the words of the Prime Minister, seek to get power in order to over-lord it over the masses—

Mr. MACKENZIE KING: I never used such an expression in my life.

Mr. MEIGHEN: It is reported in the report of the right hon. member's speech in Hull.

Mr. MACKENZIE KING: I would like my right hon. friend to produce the report. He is in the habit of making statements he cannot prove.

Mr. MEIGHEN: No. When was the last one?

Mr. MACKENZIE KING. The last one was yesterday when he said that there was a vote in this House last year against the government on the estimates. Let him produce it.

Mr. MEIGHEN: I said I thought it was on the estimates; that I knew it was against the government, and he contradicted me. I have the vote now in my possession and, perhaps, the right hon. member will be a little slower in making his contradictions after this. I have been challenged pretty frequently, but I do not know yet of a case where the Prime Minister made good. What I had reference to was the vote on the 31st March, 1924, a vote on a motion which the government supported, announced its support of, moved and seconded by the two hon. members for Cape Breton South and Richmond (Mr. Carroll and Mr. Kyte), in which vote the government had an adverse majority of 82 to 81. I told the Prime Minister I thought it was a majority of one adverse.

Mr. MACKENZIE KING: My right hon. friend's reference was to a government measure and a government defeat. Now he is trying to twist it.

Mr. MEIGHEN: If the right hon. member will read Hansard he will find that it confirms every word I said. Now I am contradicted that I have attributed to him the language of "overlording it by the Conservative governments."

Mr. MACKENZIE KING: Yes.

Mr. MEIGHEN: What I stated was that this was the report of the papers which I read and which I can produce.

Mr. MACKENZIE KING: I wish the right hon. member would produce it.

Mr. MEIGHEN: I will produce it tomorrow on the orders of the day. The Prime Minister will be just in the position that he is in with relation to this other motion.

Now, perhaps, I may proceed with my speech. I stated that the memorial, which, I think, can be taken as revealing the true nature of the trouble in Cape Breton, was presented not by any government of Tory reactionaries. I wonder what would have been the language of hon. members in this administration in this dispute if there had been a Tory government in Nova Scotia—

Mr. McMASTER: Perhaps things would have been so much worse.

Mr. MEIGHEN: The hon. member's imagination is losing none of its elasticity if he can imagine a condition worse than

described to-day. The memorial presented is now condensed into a booklet, the introduction for which is written by Mr. Armstrong, Premier of Nova Scotia. In the course of the introduction he says:

Those who constituted the delegation represented the various cities, towns and sections, as well as the boards of trade that are directly concerned in the coal and steel industry of Nova Scotia. Among the delegates was one from the steel workers at Sydney.

It may be assumed then that the voice here heard is the voice not only of the authorities of Nova Scotia, but of the very steel workers affected and referred to in the motion of the hon. member:

You will note, therefore, that the delegation was thoroughly representative. Let me further assure you and personally impress upon you the idea that none of those who constituted the delegation were actuated by any other desire than to lay before your government and yourself the existence of facts that, in the opinion of the delegation, are very disturbing and alarming, and who genuinely believe that conditions exist that not only require a remedy but can be remedied. May I be permitted also to add my further personal endorsation to the views expressed by the delegation, and to reiterate them and to urge upon you such relief as may be afforded at the earliest possible time.

Accompanying the delegation were several hon. members from the district. Whether they were members of it or not I could not say, but I refer to the hon. members for Cape Breton South and Richmond (Mr. Carroll and Mr. Kyte), who were referred to a moment ago. Now, what is the real essence of the difficulty in the Cape Breton district as revealed here?

The allied coal and steel industries of Nova Scotia have been for some years in a depressed condition. At the present time unemployment and consequent distress among those dependent—

Mr. MACKENZIE KING: Some years?

Mr. MEIGHEN: Yes, this government, unfortunately, has been in power some years.

Mr. MACKENZIE KING: And it will be in power some years yet.

Mr. MEIGHEN: Perhaps so; but I do not think that the hon. member for Centre Winnipeg (Mr. Woodsworth) will look forward to such a prospect with equanimity.

At the present time unemployment and consequent distress among those dependent upon the industries for livelihood is more serious than in any recent period.

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—the actual number depending upon the degree of activity that may be possible—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 last census returns—

These would be the returns showing the census improvement or otherwise from 1911 to 1922.

—show that only in the towns and cities where there has been a development of coal mining and steel manufacture has there been any increase in population. But for the existence of these industries the population of Nova Scotia would have shown a decrease, from which fact the serious nature of continued unemployment in these centres may be understood.

I call particular attention to the next two sentences:

At no previous time has employment been so scarce and insecure, the future so unpromising and the industrial community so discouraged, as at this date.

If any immediate explanation had occurred to the mind of any hon. member opposite it would have been interjected at this point. The next sentence is this:

Faced with a disappearing livelihood, large numbers of skilled artisans may be forced to leave Nova Scotia unless relief is forthcoming. The deputation therefore asks the government to give careful consideration to the following conditions and the suggestions made for remedy:

The memorial goes on to recite the difficulties under which the coal mining industry labours; the handicaps it endures in comparison with its competitors in West Virginia and Kentucky; it recites as well the fact that because of the large enlistment during the war of these coal miners, and because of other war contingencies—at any rate, because of these conditions—there was under-production and loss of markets during the war period, at a time when in the United States, who were not then in the war, there was a large increase of production, a large expansion and a conquest of markets. The memorial then goes on to show that in 1916 the importations of round and run of mine coal were 6,949,540 tons, which had risen in 1924, through absorption of the St. Lawrence markets by competitors in the United States, to 11,544,184 tons; that the value of importations of that kind of coal had risen in the same time from $7,908,125 to $34,341,956; and that as respects slack coal the increase was less, being in tonnage from 2,678,000 to 3,823,000 and in value from $2,302,000 to $8,912,000. The memorial proceeds to illustrate the suffering which had ensued from this condition of affairs and to plead that the labourers were not injured because of the failure of the local parliament to pass proper humanitarian legislation. Here I may be permitted to call the attention of the mover of this motion (Mr. Woodsworth) to the premier's claim that although the men

had the eight hour day as well as a Workmen's Compensation Act, and other aids which a local legislature could provide, they were experiencing the worst hardships they had ever endured.

Mr. WOODSWORTH: Did they have the eight hour day in the steel works?

Mr. MEIGHEN: I do not think he claims that; no, in the coal mines but not in the steel works. The memorial then presents to the government a suggested remedy and argues vigorously for that remedy. The Prime Minister (Mr. Mackenzie King) told us the remedy suggested was the giving of orders for coal by the Canadian National Railways. If such was the only remedy urged I think the Prime Minister took the right course. But unfortunately I do not see at the moment any reference to such a suggestion among the five presented. I had better read them, and the House at least will observe that if this was one of the things urged it was not all, nor was it the burden and great central object of the delegation which came down to this administration. Here is the resolution which they urged on the attention of the government and which they declared was passed by a unanimous vote of the whole legislature of Nova Scotia:

(1) Resolved, that in any readjustment of the federal tariff to be taken into consideration by the federal parliament at its present session, this House is of the opinion that proper consideration should be given—

(2) To so increase the tariff on American slack coal as to preclude it from entering into this country in unfair competition with slack coal from the Nova Scotia mines.

(3) To so re-adjust the tariff that this slack coal will not be sold as run of mine coal without paying the customs duty which run of mine coal is entitled to.

(4) To place some duty upon the importation of American coke with a view to encouraging the manufacture of Nova Scotia coal into coke for the purpose of supplying the Quebec and Ontario markets, and as a substitute for anthracite.

(5) Further resolved, this House is of the opinion that the coal mining industry of this province would be encouraged and developed if proper and equitable consideration were given to such fixing of railway freight rates on coal as will assure its economical transportation to the larger centres of population in central Canada.

In a word, we find here recommended a tariff on coal and a reduction in coal rates. This is what the delegation representing the workers who are suffering, on whose behalf the hon. member appeals, and representing the province of Nova Scotia, headed by its Liberal premier, and accompanied by its Liberal members, urged on this government as a cure for the very things disclosed to this House this afternoon. Now, I did not get time to read the whole resolution over again, but it may be—

Mr. CARROLL: That is the resolution passed by the legislature of Nova Scotia?

Mr. MEIGHEN: And endorsed by this delegation.

Mr. CARROLL: There is a further request.

Mr. MEIGHEN: And further on they do ask for steel orders and coal orders?

Mr. CARROLL: Yes.

Mr. MEIGHEN: I think that is likely correct. But this is the great central purpose of the delegation. As hon. members know and everybody knows, undoubtedly any national railway board will give all the orders for steel and all the orders for coal that it possibly can justify and perhaps even more. There will never be any difference of opinion about that. I venture to say there is not an hon. member of this House who for one minute suspects in his heart of hearts that either the management of this railway now or the management that it supplanted, ever declined going the utmost limit they could justify in providing orders for coal and for steel. The contrary was charged against my government, but it was never properly or righteously charged. I would not charge it against this government. I do not think this government is wholly without brains and patriotism. I would not think that any government or any board would not advance to their own workers all the orders possible for coal and steel to be used by themselves. That has been done constantly; but along that line nothing in the way of a permanent or substantial solution of this trouble can be looked for. But while all this is being done these conditions are generating and this suffering is endured.

I know that in this debate we cannot really decide anything, but surely we had better get under the surface to the heart of the subject and understand really what we are talking about. The question comes up: Has this government any responsibility in respect to relief? Now, there have lately been several announcements by the administration, and some constitutional law has been argued this afternoon by the Minister of Labour (Mr. Murdock). I am not going to speak contemptuously of his law. If he is wrong he has certainly been misled by one who ought to know better. But there is no question of constitutionality in dispute, none whatever; there is no more question of the British North America Act arising in the matter than of the Criminal Code or Magna Charta, not a whit; nor does anybody suggest that the

Parliament of Canada is precluded by the British North America Act from affording relief to suffering Canadians. Well, I hope he does not suggest it.

Mr. MURDOCK: That has never been contended so far as I have heard.

Mr. MEIGHEN: Well, this pronouncement will settle the question. We will accept it now as the position of the government—that they are in no way whatever estopped, that the British North America Act has nothing on earth to do with the matter at all.

Mr. MURDOCK: Mr. Speaker, I decline to let the right hon. gentleman continue his policy of misrepresentation.

Some hon. MEMBERS: Order, order.

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

Some hon. MEMBERS: Order, order.

Mr. MURDOCK: The statement has not been taken or made as the right hon. gentleman persists in stating it. If the right hon. gentleman would quote the facts and the truth, I think it would be fairer for those whose interests we are discussing.

Mr. MEIGHEN: The hon. Minister of Labour comes forward with such a tramp and beat that one is almost frightened at his approach, but the difficulty is that while he is all emblazoned with swords he cannot use them.

Mr. MURDOCK: You started to misrepresent—

Some hon. MEMBERS: Order.

Mr. SPEAKER: Order.

Mr. MURDOCK: You started your misrepresentation last year, and you cannot get away with it.

Mr. SPEAKER: Order.

Mr. MEIGHEN: The Minister of Labour, as I understood him, said that nobody had claimed he was forbidden by the British North America Act to give relief.

Mr. MURDOCK: That this parliament was forbidden to do what it likes. If it wants to vote its money, of course it can.

Mr. MEIGHEN: Then I assert, and I propose to stand by it, that the British North America Act has nothing in the world to do with it. If the British North America Act does not prevent the government granting relief, where does the act come in?

Mr. MURDOCK: Is that a question?

Mr. MEIGHEN: It is. I hope some one will answer who knows more about the act than the hon. minister.

Mr. MURDOCK: The British North America Act specifically and definitely places upon the provinces the responsibility that is here involved.

Mr. MEIGHEN: I am sorry, I was listening to my colleague.

Mr. MURDOCK: I will repeat it. The British North America Act specifically and definitely places upon the provinces the responsibility that is here involved and under discussion.

Mr. MEIGHEN: I see. The answer is not very illuminating. It would be if the hon. gentleman would quote the act. The British North America Act does nothing of the sort. Now, when I assert that I put myself in the judgment of every lawyer here and of everyone who can read and write. The British North America Act does not fix the responsibility at all. Certainly in matters of civil rights the act gives the provinces jurisdiction and denies it to the Dominion. But this is not a matter of civil rights at all. Why, time and again the Parliament of Canada has voted money for relief—relief for seed grain, relief for food supplies, relief to the west, relief to the east, relief to San Francisco, relief to China, relief to India, relief to Japan—relief everywhere on earth. Does anybody suggest that we have for fifty-seven years been living under a constitution which permits us to give relief to the suffering in China and India and Japan, and forbids us to give relief to the suffering in our own country?

Mr. MILLAR: Might I ask the right hon. leader of the opposition if the relief for seed grain was not almost entirely confined to those on Dominion lands?

Mr. MEIGHEN: No, it was general. It was limited for some years, but when the distress became so great as to be beyond the power of the local authorities, the Dominion stepped in and assumed general responsibility. Later we shared it with the local authorities, not only in respect of seed grain but in respect of unemployment and every character of relief where distress was great. In such cases the Dominion has never before shirked its responsibility or declined to come at least in some way to the assistance of the local authorities.

Mr. MACKENZIE KING: May I ask my right hon. friend a question to clear up this matter? If an appeal were made to a provincial legislature to vote relief to Indians, would my right hon. friend contend that the legislature would be wrong in asserting that the duty was by the British North America Act assigned primarily to the federal government, and therefore wrong in declining to give relief?

Mr. MEIGHEN: I would say there have been cases where even provincial legislatures have voted relief of this kind. But I was coming to the point which the Prime Minister has in mind. I do not dispute the correctness of the assertion that primarily this responsibility is local.

Mr. MACKENZIE KING: That is all that is contended.

Mr. MEIGHEN: It is not a constitutional question in any sense whatever. It is more convenient and serves the public interest that local authorities should look after relief first; but the British North America Act does not so dictate, it is only common sense that so dictates. When, however, the suffering spreads beyond the range of the local authorities, when it becomes so general that it is no longer fair and reasonable to ask the local authorities to look after it alone, then this parliament has power, and always has had power, to do anything that it thinks right, and there is no more a constitutional limitation on its action than there is on any other of its day to day activities.

Mr. MACKENZIE KING: That is all that is contended.

Mr. MEIGHEN: Why then quote the British North America Act? That act has nothing to do with it; it is merely a matter of convenience amongst ourselves. Possibly I should point out that not only did the late government, in co-operation with the municipalities and the provinces, on a distinct basis set out in writing, contribute in the days which followed the war to the relief of returned soldiers and those dependent on them, but also to general relief. Not only did we do it, but this government did the same itself the first year it was in power, I have not been informed, Mr. Speaker, of any amendment to the British North America Act since 1922; I have not learned of any shifting of our constitution—

Mr. MACKENZIE KING: My right hon. friend knows very well that the action this government took with respect to unemployment relief was taken because of an obligation put upon the federal government in matters respecting defence and war. Parliament has interpreted its obligation in a generous way. Where difficulties have arisen out of the unemployment due to the war the government has said that as defence is part of the obligation of the federal administration the act should be interpreted in a broad way. It is in the spirit of the act that this matter has been discussed, and not otherwise.

Mr. MEIGHEN: I can only repeat that it is not the British North America Act at all; the act has nothing whatever to do with it.

Mr. MACKENZIE KING: It still remains the spirit of the act.

Mr. MEIGHEN: I do not want to be in the position of simply contradicting my right hon. friend. I am trying to make my own contention clear. The whole thing has no relation to the British North America Act; it has relation only to convenience as between the Dominion, the provinces and the municipalities. Certainly because of the war our obligation became greater; the war was our responsibility, therefore we felt there was greater obligation than there otherwise would have been. Not only did we look after those suffering from the war directly or indirectly; but because of the immensity of the question we went further. Not only did we go further, but hon. gentlemen opposite, not content with the distance we went, assailed us in the country for our parsimony and after they got into power passed an order in council going further still. So it is only talking beside the question —worse, it is misleading the people of our country; still worse, it is misleading those whom we have the least right to mislead, those who are suffering and oppressed—to indicate to them that because of constitutional limitations, much as we would like to do so we really cannot help them.

Now, there are other circumstances in which the responsibility of the government may be greater than usual—I mean the federal government; that is to say, when the policy pursued is responsible directly and indirectly for the dire result. But I do not want to be led into a tariff discussion as such, further than to say that responsibility is traced right to the door of this government, traced not by a sleuth of the opposition or of the Tory party but by the premier in the oldest Liberal government this country ever had. It does not meet the situation for this government, when presented with a motion which delineates the results of the course it has itself pursued, to meet it merely by an assertion of the Prime Minister that "investigation" is the cure; that the investigation ought to be by the local government—and behold,

the local government has started an investigation! I have not very much faith in the result of this investigation. I have no objection to its taking place—not at all, and I do nothing to impede it. But I do remember—and I put myself in the judgment of these very critical hon. members opposite when I say that it is not many months since we had an investigation. If my memory serves me rightly there was an investigation a little more than a year ago, an investigation into which this government itself ventured. I cannot remember who the investigators were; in the long dreary roll of investigators and commissions of this government I could not be expected to remember every name. But I do recall that Doctor Robertson was one, and he investigated—I am subject to correction—the very cause of difficulty which confronts us here, the position of the one side, the position of the other, the possibilities of both. In a word, he investigated in substance just what the Armstrong government propose to reinvestigate now.

Mr. MURDOCK: That investigation was in relation to steel; this is in relation to coal.

An hon. MEMBER: There is not much difference, anyway.

Mr. MEIGHEN: Is there any real difference there? I heard some hon. member opposite say there was not much difference. I do not think there is. These two industries are closely interrelated. Every ton of steel produced, as I am informed, entails the production of four tons of coal. When steel production goes down coal production goes down. I want to ask, has steel production gone down? I sent for some data and have them before me—and I had not intended to read these but for the interruption of the Minister of Labour (Mr. Murdock); frequently valuable fruit comes from his interruptions. Here is a table compiled from the Survey of Current Business, a periodical which has the imprimatur of the Prime Minister himself. In this table the pig iron production is taken as 100 per cent in the United States and 100 per cent in Canada in 1913, and the production each year since is given. Corresponding figures are given regarding the steel ingot production. The percentages start as I have said, at 100 in the United States and 100 in Canada in 1913. They became 75 per cent in the United States and 69 per cent in Canada in 1914. I do not need to read them all down the line. Suffice it to say that all through these years up to 1923, and inclusive of that year, the United States percentage kept higher than Canada in their pig iron production relative to the production of 1913, save in one year, 1921, when it was 54 per cent in the United States and 60 per cent in Canada.

Now, coming to 1924, we find that there was not any very great variation from the proportions—however, there was some—for the first four months. The percentages with respect to pig iron for the year, month by month, are as follows:

	United States	Canada
January	118	76
February	120	71
March	135	93
April	126	100
May	102	101
June	79	68
July	70	55
August	74	27

Certain policies were now getting under way.

	United States	Canada
September	80	27
October	97	35
November	98	27
December	116	27

I hope the hon. member for Centre Winnipeg (Mr. Woodsworth) gets an inside view into the basic cause of the distress which he so justly laments.

Let us take ingots and trace them from the month of April—I would give the figures for a longer period back only for the time which would be taken:

	United States	Canada
April	132	120
May	104	124

Canada's banner month for the year:

	United States	Canada
June	81	79
July	74	60
August	101	26
September	112	21
October	123	23
November	123	26

One-quarter in the one case and five quarters in the other as compared with 1913 production.

	United States	Canada
December	141	40

This is the story in simple arithmetic. Now I want to speak in relation to the remedy, and I shall use but one sentence. I have always had great doubt whether it was possible to take one single article of such widespread consumption as this and cure the difficulty by a mere advance of duty. That same doubt I have to-day. But what I assert is, and I do not intend now to argue it further, that an advance and an advance alone is the real remedy, but it must be done as part of a general policy to enable such a remedy to be widespread and effective.

I am prepared in conclusion to read the quotation which some moments ago I had in mind, my reference to which the Prime Minister challenged. It has just been put before me. It is the quotation with reference to that much-objected-to word "overlorded" I read from the Ottawa Journal of February 19—

Some hon. MEMBERS: Oh, oh.

Mr. MEIGHEN: I call to the attention of the Ottawa Journal and its many admirers, even of the Liberal press, throughout Canada the derision with which its name is received by hon. gentlemen opposite. I did not assert what paper the report was in; I asserted I had read it, and it was that assertion which the Prime Minister seemed to doubt.

Mr. MURDOCK: Is its author the candidate for Gaspe?

Mr. MEIGHEN: No, it is a news item, but if it were the candidate for Gaspe the day will come when the hon. Minister of Labour (Mr. Murdock) will hold his name in a great deal more respect than he does to-day.

Mr. MURDOCK: Not until he starts to tell the truth about Canada rather than reviling it.

Mr. MEIGHEN: I think, Mr. Speaker, it is not amendment to the rules we need so much as some knowledge of them. This is dated February 19:

> The Right Hon. Mackenzie King, speaking last night at the banquet tendered to Dr. J. E. Fontaine, M.P., by the Young Liberal Club of Hull at the Windsor Hotel, said that it was ever the privilege of the people to declare if they wished to be overlorded by the Conservative or to entrust their destinies with the Liberal party.

Mr. MACKENZIE KING: Mr. Speaker, I am prepared to leave to the records of Hansard as to whether what my right hon. friend said in his remarks was not that I had used the specific language of "overlording over the masses." He used the word "masses," not "Conservatives." I said I had used no such expression as overlording over the masses. So far as the Tories are concerned, I am prepared to let them go their own gait.

Mr. MEIGHEN: On behalf of the Conservative party I accept the apology.

Mr. McMASTER: As the hour is almost six, perhaps I might be allowed to continue my remarks after the adjournment.

[Mr. Meighen.]

Mr. MACKENZIE KING: My right hon. friend has referred to what he calls an apology, I would say to him I very much regret I am unable to see that his remarks were in accord with the truth.

At six o'clock the House took recess.

After Recess

The House resumed at eight o'clock.

Mr. ANDREW McMASTER (Brome): I would like in my first remarks to-night to compliment the hon. member for Centre Winnipeg (Mr. Woodsworth) on the very able address with which he favoured the House this afternoon. I feel that those whom he represents in this chamber are to be congratulated upon the strength and moderation of his remarks. He disclaimed any intention of making a speech. He merely placed the case before the House; but I take it, Mr. Speaker, you are at one with me when I say that very often the plain unvarnished facts of any case are the most powerful speech that can be addressed in regard to it. When the hon. member for Centre Winnipeg began his remarks he, as well as all the other members of this House, were unaware of the despatch which, during the course of the debate, came into the hands of the Prime Minister, to the effect that the government of Nova Scotia had acted along one of the lines indicated by the hon. member, and I would support the view taken by the Prime Minister (Mr. Mackenzie King) that under the circumstances it would be proper and fitting for this debate not to continue. That might have been an attitude accepted by all, but it was not, and there have been some remarks made this afternoon which I would like if possible to answer.

When one is possessed of a single recitation one is likely to offer it when called upon to oblige a social gathering. When one knows only one song one is apt to render it when called upon to help in an evening's entertainment, and the right hon. leader of the opposition (Mr. Meighen), it seems to me, has one panacea and one only, for the ills of the country, no matter whether those ills present themselves in the centre or at the extremities, and that panacea is more taxation and more restriction.

> This is his story, this is his song,
> Praising protection all the day long.

I always like to listen to the right hon. leader of the opposition, but I cannot congratulate him to-night on his subject matter for a panegyric upon the benefits of protection; because the British Empire Steel Corporation, formerly known as the Dominion Iron and

Steel company, formerly composed of the Dominion Steel Company and the Dominion Coal Company, which separated, and then joined together with stock-mongering manœuvres too numerous to mention, is perhaps of all others the most striking example of the failure of protection, to bolster up and protect what might have been a sound industry. Because Mr. Speaker, this great industry in the Maritime provinces started with great natural advantages. They had easily accessible resources in coal. They had iron ore which they were able to bring, from a certain distance it is true, but by water, a cheap means of transportation, from the neighbouring island of Newfoundland. They had the ability, the industry and the character for probity of the people of Nova Scotia to manage the work and to work in the enterprise. These are the great advantages with which they started. But they represented an industry which has been forced on, beyond a natural pace, and which presents for a quarter of a century the effect of interference with the free course of trade and commerce, combined with the prejudicial effect of government pap and government bolstering up. It is just a quarter of a century since the Dominion Iron and Steel Company obtained a charter from the government of Nova Scotia, and they obtained a charter which gave them great advantages. First of all, the town in which they were going to start their business was given the right to bonus, to relieve them from the burden of taxation, and to give them a free site. I stand corrected if my facts are not as I state them. Hon. members from the Maritime provinces will be able to correct me if I am wrong, but I think I am right when I state they obtained exemption from taxation for a very long term of years.

Mr. CARROLL: Is the hon. gentleman speaking of the Dominion Coal Company?

Mr. McMASTER: No, the Dominion Steel Company. They obtained exemption from taxation for a very long term of years, and if I mistake not they received a free site for their plant. They were also benefited in this way, as has been pointed out by the hon. Minister of Labour (Mr. Murdock) this afternoon. The government of Nova Scotia owns the resources, as governments should own such great natural resources as coal, and it imposes a reasonable royalty on coal that is mined there. The royalty at that time was 12½ cents a ton, but, in favour of this steel company, it was reduced to 6¼ cents per ton on all the coal mined for the purpose of being used in the production of steel, or for the bunkering of ships which carried the steel away from their works. Very substantial benefits were thus given to this big enterprise. Not only that, but privileges of more doubtful utility were given to this new company. The directors were given the right to contract with the company because they were very closely interwoven with the Dominion Coal Company, and the new steel company was given the right to pay dividends on its preferred stock while the plant was in course of construction. Anything which could stimulate, which could galvanize this industry into life, was given by the Nova Scotia government. Then the town of Sydney implemented its part in the arrangement, as I have said, by giving a site and exemption from taxation for a number of years.

But that was not sufficient. The Dominion government cast a beneficent eye on this enterprise and it was given assistance. First of all, it was helped by the tariff. To hear the leader of the opposition speak this afternoon, one would have thought that this industry down in Nova Scotia was suffering from the absence of a tariff; but I see that steel billets are protected from $1.50 to $2.50 a ton; rolled iron or steel angles, from $4.25 to $7 a ton; bar iron or steel, rolled, from $4.25 to $7 a ton; rolled iron or steel plate, not less than one-quarter inch thick, from $2 to $3 a ton; rolled iron or steel plates or sheets, not otherwise provided for, from $4.25 to $7 a ton; iron or steel railway bars for railways, from $4.50 to $7 a ton; switches, frogs, crossings and intersections, 20 per cent British preference, 30 per cent intermediate tariff, 32½ per cent general tariff; nails, bolts, spikes and so forth, 20 per cent British preference, 30 per cent intermediate tariff and 35 per cent general tariff.

Therefore, the benefits, if benefits there be of a tariff, were given to this industry. But that was not all. It was bonused directly from the state. That was not sufficient. People who wanted to build railways in this country were directed that if they wanted to have the subsidies which the building of railways would entitle them to receive from the government, must buy their rails from rail manufacturers in Canada and that meant either manufacturers at the Sault or manufacturers at Sydney. Therefore, there was no means known to the protectionist mind which was not taken for the purpose of helping on this industry. What was the result? The result was that every favour given by the Canadian people to this industry was capitalized by the promoters or the management by a watering stock, capitalization against the

consuming public of Canada. There is no question of that. The leader of the opposition in regard to the watering of stock seemed to have a sneaking view in his mind that probably there had been more or less humidity about the organization and development of this company than there should have been. But, he said, the watering of stock does not have anything to do with the matter. I take issue with my learned and right hon. friend in that regard. It has a great deal to do with the matter. First of all, if an administration pays dividends on watered stock, what is it doing? Nobody wants to deny to capital a fair return. It is a short-sighted policy that wishes to deny to capital a fair return; but if dividends are paid on watered stock, that means merely this, that profits which should go to building up reserves for a rainy day or to labour, are paid to people who have no right to get them

Some months ago I had the pleasure of a conversation with a gentleman who attended the conference at Genoa on behalf of the government as one of its technical advisers. He told me that he had discussed watering of stock with many labour leaders from all parts of the world, and he found them, as a rule, most reasonable men, as convinced as he was himself that capital should be allowed to earn a fair return, but having the conviction that one of the things which keep labour and capital apart, which caused a rankling sense of injustice to be in the breasts of labour people throughout the world, was this watering of stock, the payment of dividends on fictitious capital. Even when dividends are not paid, it has a bad effect on the company. It destroys the morale of those who are responsible for the company's success. They see supposedly invested in their industry vast amounts of capital on which they cannot earn a dividend, and they are therefore discouraged. It also lends its influence to stock jobbing, to the going up and going down of stock on a stock exchange until the stock becomes a method for gambling, and until honest and prudent investors do not want to touch it at all. That is another effect of the watering of stock and I think it has a great deal to do with the matter.

Another argument advanced by the leader of the opposition was that coal production has gone down. He says: Why?—because iron production has gone down and therefore we want a higher duty on iron. I should like to carry that investigation just one or two steps further. I am not sure whether iron production has gone down or not, but for the purpose of the argument, let us assume that iron production has gone down. Why has it gone down?—because the demand has gone down. Why has the demand gone down?—because the buying power of the people has gone down and if—and this will come in immediately with a further argument which he advanced—by raising prices generally all along the line, you reduce the purchasing power of the people, you will reduce the demand and you will reduce the demand for iron and for coal. If you ask a man to pay more than he should for his boots, his clothes, his hat and all the other things that go into the maintenance of himself and his family, he will not have so much money left to erect a barn that he desires to build, and if he does not build it, the demand for steel, iron or wire nails goes down to that extent. That is the way in which the whole thing happens. The idea that you can get this country into a prosperous condition by increasing the cost of living, by making it more expensive to do business, is about as wise an idea as the one that you can raise yourself by taking a firm grasp of your own boot straps. I would have the House note this. My learned and right hon. friend says that this raising of the duty on iron and coal should not be a thing taken by itself—he spoke similarly in regard to freight rates the other night—it should form part of the structure of a general enhancement of duties. Where does the consumer come in if there is a general enhancement of prices? If you are going to advance the price of iron and coal, then you are going to advance the price of articles which go into the manufacture of nearly everything that is used in this country, and if you do that, you are going to make living in Canada more expensive. We talk about taxation in this country. We do not want to see taxation raised. We are quite right in that. We ought to try to reduce taxes if we possibly can, but to reduce taxes, you must reduce expenditure. There is, however, other means of taxing people than through a direct impost by the government. There is the indirect way by increasing the price of what the people have to buy. If you make living generally more expensive in this country, people will not stay here, they will go where living is less expensive and wages just as high or higher.

I should like to end on this note. For men who, in their heart of hearts, must know better, it is inhuman, it is cruel, to pretend that the lot of these miners and steelworkers can be bettered by raising the cost of living and by increasing taxation. I cannot think of anything more cruel, when one comes to think of it, than to hold out to men who are suffer-

ing like these poor miners and steel workers in Nova Scotia, that hope, and to try to place the responsibility upon the failure to apply further a system which twenty-five years has shown in their own special case not to be a success.

Mr. G. W. KYTE (Cape Breton South and Richmond): With the hon. member for Brome (Mr. McMaster) I desire to congratulate the hon. member for Centre Winnipeg (Mr. Woodsworth) upon having brought this subject to the attention of the House. I am especially interested in the matter inasmuch as I represent in this House the constituency concerned, and possibly I have some shreds of local information which may prove more or less valuable in this discussion. Unemployment, I regret to say, was not confined to the island of Cape Breton during the year 1924; it was a world-wide condition. But the unemployment that prevailed throughout Nova Scotia during the year does not by any means exceed other periods of unemployment in that province. The period in which there was the most distress and the greatest unemployment among the steel workers and the coal miners of the island of Cape Breton was in the year 1913-14. That is an historical fact which I am sure no hon. gentleman, having a knowledge of the conditions as they existed at that time, will controvert.

Mr. MEIGHEN: Is it not controverted directly in the memorial signed by Mr. Armstrong?

Mr. KYTE: I have not read the whole memorial.

Mr. MEIGHEN: I read it.

Mr. KYTE: Mr. Armstrong stated that there was great unemployment; perhaps he said that there was more unemployment—

Mr. MEIGHEN: Than ever.

Mr. KYTE: Perhaps so; but notwithstanding that statement, I repeat the assertion I have made, that the greatest degree of unemployment existed in the years I have mentioned, when we had bread lines and soup kitchens, and when miners were endeavouring to support their families upon employment one or two days a week. In 1914 the world war came and changed labour conditions; it had some advantages in respect of the change it brought about in the condition of the people throughout the industrial centres of Canada. The demand for coal immediately increased enormously. We all remember that the harbour of Halifax and the harbour of Sydney were both filled day by day with large numbers of warships and transports, so that these places presented the appearance of a great naval review. The transport of munitions and troops brought large numbers of these ships to our shores and they had to be supplied with bunker coal. Then there was the activity in the steel plant arising from the enormous amount of steel required for the various munitions of war. We had good times and prosperous conditions in Nova Scotia from the commencement of the war in 1914 up to 1920. Then again unemployment set in; and it is strange that our Conservative friends, who were in office for ten years and applied the principle of protection which my right hon. friend (Mr. Meighen) lauded this afternoon, had not the virtue to prevent unemployment in these centres. In 1921 the government of which the right hon. gentleman was then Prime Minister found it necessary to anticipate the requirements of steel rails for 1922 by giving an order to the steel plant at Sydney for the purpose of providing employment. This was in the fall of 1921, and in 1922, after parliament had met, a delegation came here from Sydney, headed by the mayor of that city, and on which there were representatives of boards of trade and of the Steel Workers' Union. Their purpose in coming to Ottawa was to seek relief for the unemployment conditions existing in Sydney and the collieries at that time. Surely my right hon. friend will not argue that conditions existing in February or March, 1922, were due to the advent of the present government to office a month or so before. Well, the present government relieved the situation by repeating what was done in 1921; that is to say, they gave an order to the steel plant at Sydney which anticipated the requirements of steel rails for the year 1922-23.

I desire to point these things out lest the impression gets abroad that the conditions existing in the mining towns of Nova Scotia to-day, and in connection with the steel plant, are unique, or exceed the conditions of unemployment that prevailed in any previous period of our history. That, I repeat, is not the case. Unfortunately we have had periods of unemployment from 1912-13 down to the present time, and a good deal of criticism has been directed towards the British Empire Steel Corporation. Now let me say that I have no object in representing their side of the controversy; but the hon. member for Centre Winnipeg read a resolution from the town council of Sydney Mines, describing the harrowing conditions that exist there, I think it is only fair that I should point out that in that respect the British Empire Steel

Corporation is not entirely to blame. Sydney Mines is situated on the north side of Sydney harbour. For 150 years coal was being mined and shipped from Sydney Mines. Originally the property of the Duke of York, it was afterwards owned by the General Mining Association; and in the course of all those years the mining that had gone on there compelled the men to travel further and further underground and under the sea until it became exceedingly difficult and expensive to reclaim the coal. At the present time the coal mines situated on the north side of Sydney harbour extend some three miles under the sea; they are entirely submarine areas, expensive to work, and it is difficult to carry on the mining operations. The British Empire Steel Corporation has been confronted with very severe competition in the price of bituminous coal in Nova Scotia. It is a fact, as everyone knows, that in the last few years bituminous coal has come from the United States and has been sold in competition with the coal produced from the Nova Scotia mines. If, then, the British Empire Steel Corporation is to keep up the competition which is now so keen, it is surely necessary that it should mine the coal at the lowest possible cost. And that is why there is unemployment in Sydney Mines and in the mining towns on the north side of Sydney harbour. The British Empire Steel Corporation cannot carry on their mining operations at these mines at such a cost as will enable them to compete with the United States coal coming into Canada, so that they have been practically obliged to close down the mines. But there is another side to this picture. If the British Empire Steel Corporation has been obliged to close down its mines on the north side of Sydney harbour, it is a fact at the same time that in the last year it has expended $3,000,000 in opening and equipping a new mine within the Glace Bay area. This new mine is the largest and most complete coal mine in the world to-day in point of equipment. It is the best equipped mine there is, and I am assured by officials of the British Empire Steel Corporation that the coal produced by that mine can be put on the market at a cost considerably less than the coal produced in the other mines of the company.

Mr. GARLAND (Bow River): Is that No. 26?

Mr. KYTE: I do not remember; I think it is No. 1B. It is a new mine; the equipment was completed and the mine opened a few months ago. That is a large sum of money for the British Empire Steel Corporation to expend on one mine, but they felt it was necessary to do so in order to give continued employment to those in their service and enable them to sell coal at a price to meet the competition of coal from the United States.

Unfortunately we have had a considerable amount of unrest in the coal mining areas of Nova Scotia during the last twenty years. It is not for me to say who may be responsible for it; perhaps a little fault might be attributed to both sides. The fact of the matter is that the relations existing between the leaders of the mine workers and the officials of the British Empire Steel Corporation are not as they ought to be, and I think the Premier of Nova Scotia had that fact in mind when he offered to appoint a commission to inquire into the whole controversy between the two parties. But we can go back a little in our history and ascertain what has been the attitude of our Conservative friends with regard to promoting the steel making industry of Nova Scotia. In 1912, a few months after they came into office, the then government remitted to the Algoma Steel Company duty on 75,000 tons of rails equal to $294,000, which rails were sold to the Grand Trunk Pacific and the Canadian Pacific Railways. If hon. gentlemen sitting opposite to us had always the desire to build up the great steel industry in that province that they profess to have at the present time, they would not have prevented the Dominion Steel Company from supplying those steel rails by remitting the duty to a rival company. The Algoma Steel Company had all the rail orders that it could handle, but it was not content with that, it was not willing that the Dominion Steel Company should have any part of those rail orders, and it prevailed upon the then government to remit the duty in order that it might import rails from the United States and sell them in competition with the products of the Dominion Steel Company at Sydney.

The right hon. leader of the opposition spoke of the presence of the Premier of Nova Scotia at the head of the delegation which came here some months ago to interview the government on the coal and steel duties.

Mr. MEIGHEN: Will the hon. gentleman give me the year when that duty was remitted? I should like to make some inquiry with regard to it.

Mr. KYTE: In 1912. The matter was discussed in the House of Commons in the session of 1913. The right hon. gentleman read a portion of the address delivered by Premier Armstrong on the subject of steel and coal duties when he interviewed the

cabinet last November. I am bound to say that the well-reasoned, courteous and illuminating observations which the right hon. gentleman read from the Nova Scotia premier's address were in very striking contrast to the original portion of his own remarks. The Premier of Nova Scotia is naturally interested in everything that pertains to the welfare of his province. The right hon. gentleman said that Premier Armstrong had stated that there was more unemployment in Nova Scotia at that particular date than there had ever been in the history of the province. Let us assume that that is correct. Well, I would also remind you, Mr. Speaker, that on the very day Premier Armstrong made that statement there were 1,300,000 men unemployed in England, principally steel workers and coal miners. That number is very much larger in proportion than any unemployment figures for Nova Scotia.

Sir HENRY DRAYTON: Free trade; they are going up in proportion.

Mr. KYTE: Well, if my hon. friend wants my opinion, I desire to say, the freer the trade the better, and the less unemployment there will be. But why is there unemployment at the Sydney steel plant? We have the same tariff that was current during all the years that our Conservative friends were in office. There is unemployment at Sydney because of the competition which they suffer from the manufacturers of steel in Europe. This competition is due to the depreciated currency. Since the war the Canadian Reconstruction Commission, as they call themselves, have carried on an active propaganda, their cry being: The way to reconstruct Canada after the war is to build up Canadian industry; and in order to build up Canadian industry we must put on more duties—increase the tariff. If increasing the tariff increases the prices of Canadian products to Canadian consumers, the Canadian Reconstruction Commission say: "Be patriotic; buy Canadian goods." Let us see how these gentlemen apply that gospel to themselves. The members of that reconstruction commission are also members of the Canadian Manufacturers' Association. They require steel and iron in their factories. Are they patriotic enough to buy these products from the British Empire Steel Corporation at Sydney? No, Mr. Speaker. They say: Inasmuch as we can buy steel and our other raw products in Europe cheaper than we can buy them at Sydney, we are going to fill our requirements in European markets. It is only up to the great consuming masses of Canada to be patriotic; the spirit of patriotism does not apply to them. That is the reason why we have had dull times in Sydney. The depression has nothing whatever to do with the tariff; it is the condition of the currency in European countries which enables the friends of the right hon. leader of the opposition to sacrifice Canadian production in their eagerness to take advantage of the lower prices in Europe.

But happily the picture is not as black as it has been painted by the right hon. leader of the opposition or by the hon. member for Centre Winnipeg (Mr. Woodsworth). I am inclined to think that the right hon. gentleman imported a little bitterness into this debate because he felt it was the last time that he would be able to preach blue ruin to this House in respect of the steel and coal industry of Nova Scotia. I have before me a copy of the Montreal Star of yesterday's date.

Mr. CHISHOLM: What is its name?

Mr. KYTE: The Montreal Star of yesterday's date.

Mr. CHISHOLM: Then it must be all right.

Mr. KYTE: Well, it is not engaging in whispers of death at the present time, but in aspirations of life. I find in big headlines the following:

> Opening of six hearths will give employment to 1,800 men in March.

Then in smaller capitals we are told:

> Blooming mill of British Empire Steel Corporation will begin operations on double shift about March 16, official declares.

The despatch reads:

> Sydney, N.S., Feb. 23.—(Canadian Press).—Opening of six additional open hearths, the rolling of a 35,000 ton Canadian National Railway rail order and a concurrent big increase in the operations of the Sydney steel plant were announced here at noon by J. E. McLurg, vice-president of the British Empire Steel Corporation.

The statement says:

> "On August 5 last No. 1 blast furnace was blown out and has since been re-lined. The stoves of this furnace were lighted on Saturday last, preparatory to lighting the furnace itself on the 28th instant, and this furnace will begin producing basic iron on March 1. During this month we have been operating six open hearth furnaces, but during the week of March 1 six more open hearth furnaces will be put in operation.
>
> The blooming mill will continue operating on double shift about March 16, and the rail mill begin rolling an order of rails for the Canadian National Railways. This order is for 35,000 tons, not 50,000 as has been reported.
>
> "The billet mill, bar mill, rod, wire and nail mills will operate on double and single shift intermittently as required."

Amplifying his written statement, J. E. McLurg said that it means that 100 per cent production of steel will be under way early in March. Most of this steel will be needed for the rail order. The number of men employed at the plant to-day, exclusive of officials is 1,661 (this would make the total staff on the job something over 1,800).

The expansion of operations forecast in this statement means a marked increase in employment during the next two or three weeks.

There, Mr. Speaker, is a statement of the conditions as they exist in Sydney to-day. They are not the conditions that existed two weeks ago when the resolutions read by the hon. member for Centre Winnipeg (Mr. Woodsworth) were drafted; they are not the conditions that existed when the articles from the Sydney Post and the Labour Herald in the town of Glace Bay, read to the House during this discussion, were written.

Mr. WOODSWORTH: I may say that the telegram that I read was sent to me on Saturday.

Mr. KYTE: This telegram was sent yesterday to the Montreal Star.

Mr. MEIGHEN: I read the article, or one to the same purport, nearly a week ago. I do not think it is surprising that if the government gives orders for rails there should be some work.

Mr. KYTE: I think the right hon. gentleman is mistaken; he is thinking of a similar despatch he read with regard to steel plants in Hamilton which are running on double shift.

Mr. MEIGHEN: Oh, no; that telegram appeared in the papers a week ago.

Mr. KYTE: Knowing the conditions in Sydney at the present time I accept the statement attributed to Mr. McLurg in this despatch; there is no doubt or question about it. But my right hon. friend and his friends will doubt it, and I question whether they will be very highly elated when they find that the statement made here is true. The question of unemployment, therefore, is about settled so far as Sydney and Glace Bay are concerned. If this despatch is true, and I believe it is; if the steel plant will soon be working on a basis of one hundred per cent production, then there will be employment for every steel worker in the city of Sydney and for every coal miner in the county of Cape Breton. That is the happiest solution of our difficulty, and I think the hon. member for Centre Winnipeg might very well allow the matter to drop with the assurance given in this despatch that unemployment will cease entirely and that the plant will be working full time by the sixteenth of March.

Mr. W. C. GOOD (Brant): Mr. Speaker, the discussion so far has, I think, established a few basic facts: First, that there is acute distress in the Cape Breton district. I took the trouble to wire a friend of mine at Sydney Mines Saturday night in order to get confirmatory evidence as to certain reports I had heard, and I have the following wire from him:

Much distress and suffering in all industrial centres of Cape Breton owing to long continuation of short time at mines and steel plant. Many people unable to get bare necessities of life. Writing.

Mr. KYTE: No doubt that is true, but on March 16 there will be no unemployment and no suffering.

Mr. MEIGHEN: For how long?

Mr. CARROLL: May I ask who sent that wire?

Mr. GOOD: Yes; this wire comes from the manager of the British Canadian Co-operative Society at Sydney Mines, a man who is respected very highly in the whole district. I hope, Mr. Speaker, that the predictions of the hon. member who spoke last (Mr. Kyte) will be fulfilled. But I desire a little later on to call attention to a condition of affairs down there which would indicate that as things stand at present a permanent solution or settlement of the problem is very far from being within sight.

The second basic fact that I think has been pretty well established in this discussion is this: Although the propriety of action or interference on the part of this government might be questioned, its right to act is, I think, not questioned. Certainly I do not think anybody will dispute its right to grant relief, and I hope that we will have a little more light upon the right which this government may have to make an inqury. I shall certainly be very grateful for further information upon this point. Perhaps the Solicitor General (Mr. McMurray) or some other lawyer here might enlighten us.

In the third place I believe it has been pretty well established that the remedy suggested by the right hon. leader of the opposition (Mr. Meighen) is vain and foolish. The facts and arguments that have been submitted to this House within the last hour or so should leave scarcely any doubt in the minds of at least the majority of those present that there is no solution in that particular direction. I grant that we might tax the whole people for the benefit of a Cape Breton industry, but is it a sensible policy to put five times as great a tax upon the Canadian people as the subsidy or assistance that will thereby be given to the steel and coal industries in that

particular territory? I think it would be very much more sensible, if we determined upon a policy of direct subsidy, to give it to the company outright in the form of a cash payment; and if the necessity can be established I would support such rather than anything in the way of a tariff. As has been pointed out, the tariff method is vicious and mischievous all through. We are simply loading upon the people generally a great burden, and the ultimate result will be disastrous even to the particular industry which it is planned to help, because the demand for its products in Canada will inevitably be curtailed.

I am afraid that what is wrong down there —at least, one thing that is wrong—is of long standing and deep-seated. The Minister of Labour (Mr. Murdock) stated this afternoon that there had been trouble down there for twenty years. I have been amazed and depressed upon reading the Labour Herald, and I think other gentlemen who have at heart the interests of this country cannot but be troubled very much at the evidence of antagonism and hostility that is found in its pages. I am very much afraid that the proposed investigation by the provincial government will get us nowhere. I doubt whether the mine workers will accept it and even if they did accept it I doubt whether they would accept the award made under that proposal, as it is practically compulsory arbitration. I gather from what information I have been able to pick up—and I do not profess to know a great deal of the situation, although I was down there once—that the trouble is too serious and deep seated to be remedied—although it might possibly be helped—by a committee of inquiry. I have in my hand two recent copies of the Labour Herald, and I find this paper filled with charges, some of them I think fairly well substantiated, against Besco. There are letters published here of a very serious character regarding a spy system that apparently has been in operation in the industry for years. I have here also as hon. members can see some of the originals which came from Sydney Mines, with a notation by the spy himself, as follows:

> Please show to superintendent, and then destroy.

These are the original reports, Mr. Speaker and many of them have been published, showing a very, very serious state of affairs, which so far as I can see will render this industry wholly unable to compete with any other decently operated industry of a similar kind on the continent Unless this relationship between the management and owners of Besco and the miners can be altered, what hope is there for the industry? I would like to give hon. members just one sample of the sort of report that is made. This one is dated January 16, 1918, that is seven years ago. We have recent letters of the same kind published in the copies of the Labour Herald which I have already mentioned. Here is a sample of the stuff that is reported by this secret spy agent:

> Attended meeting of Local No. 11. President Barrett was at the meeting to-night; his remarks took up most of the time. Hand pick miners made a complaint about the overmen informing them that in future they would not be paid for extra timber, and that they would not put up any timber in working places. Mr. Barrett told them to put up all the timber that they wished if they considered it necessary to protect their lives, and he would see that they would be paid for it. He said, to hell with the cost to the company, that they want safety. Then the men complained about the kind of timber they were getting. The ordinary pit props are about six inches in diameter, but the timber they are getting now are 14 inches to 16 inches in diameter, and the managing committee were instructed to demand 25 cents each for this work. James Smith made a complaint about Walter Donovan, overman on south side; that the other day Mr. Chew, safety first inspector, was down in the mine, and that while on No. 8 landing south he asked the drivers how they were getting on.

An so on and so on. The report is full of this sort of information, which was reported to the company through one of its secret agents. I do not know whether the reports are true or not, but you can imagine what the result is when a system of this sort has been going on for years, and is exposed now, with all the evidence to the miners; and further all the allegations mentioned by the hon. member for Centre Winnipeg (Mr. Woodsworth) this afternoon as to lobbying, bribery, incompetence, and so forth. What can we hope for, what does my right hon. friend the leader of the opposition (Mr. Meighen) hope for by putting on a tariff when such a condition of affairs exists internally? I do not think you can touch it by a tariff, subsidy or any kind of special help, if that were advisable. Surely that is not getting at the root of the trouble!

9 p.m.

I do not wish to prolong the debate. I wish merely to call attention to a most deplorable and difficult situation that has developed in that district, and I must confess that I do not see any very easy or any very quick way out of the difficulty. I think that perhaps relief ought to be granted. I think that perhaps this government might, if it has the power, make an inquiry; I wish we had more information on that point. If the commission proposed by Premier Armstrong is not accepted, then where are we? We are no further

ahead at all, and this "canker," to use the word of the Minister of Labour (Mr. Murdock), is still there polluting and weakening and there is going to be no solution and no remedy until we get to the seat of the trouble.

Mr. E. J. GARLAND (Bow River): Before the question is put, Mr. Speaker, I wish to add a few words to what has been said already on this matter. I wish to join with those who have congratulated the hon. member for Centre Winnipeg (Mr. Woodsworth) in bringing this matter to the attention of the House, and to give as my excuse for speaking, if one be needed, the fact that I am not wholly sure that the proposals read by the Prime Minister to the House, the alleged despatch from Premier Armstrong of Nova Scotia, will meet the situation at all. Especially will they not meet it in connection with the immediate relief that is necessary.

At the outset let me make it clear that I cannot exonerate myself as one of the members of this House from the responsibility that I feel when I read of distress of this kind. In answer to a remark of the Minister of Labour (Mr. Murdock) on this question, who asked, "When we consider our trusteeship, how can we act?" let me inform him that so far as my trusteeship is concerned I will vote for and support any measure of reasonable relief which this government would now propose, and go back to my constituents feeling satisfied that they will endorse that action. Perhaps hon. members who are accustomed to paying from $75 to $150 a month rent for an apartment in Ottawa might be surprised if I read to them one or two of the pay sheets, of the unfortunate miner in Nova Scotia.

Mr. CARROLL: Why not read a few relating to the Alberta mines?

Mr. GARLAND (Bow River): I will do that if the House wishes me to delay it to do so. But we are dealing with the situation in Nova Scotia at the present time. This pay envelope bears notations as to the number of tons that may be mined by the miner, and the price he receives. We then have the notation showing tons of rock or cap rock the miner may have to move. He is allowed so much for a certain weight, and then is allowed something for timber. After all that is added up you find a small weekly wage, from which must be deducted supplies which are usually bought at the company's stores, rent, which is paid to the company, coal, which is purchased from the company, water, secured from the company, sanitation charges, and I see attorney charges are put in here, in order to provide a way for the company to get around the Truck Act of Nova Scotia.

Mr. CARROLL: Does my hon. friend presume to say that in the pay sheets of the miners a deduction is made for attorneys? If he does, I want to tell him he has not read a pay sheet of the miners of Nova Scotia.

Mr. GARLAND (Bow River): Mr. Speaker, I have in my hand a pay envelope of the Dominion Coal Company, Limited, Dominion No. 2 Colliery, form No. 17, and it contains a provision for deductions for attorney. I investigated this and found that the attorney referred to in it is not perhaps an hon. gentleman like my hon. friend who has just interrupted me (Mr. Carroll), but it appears to be the power of attorney which the miner gives to the company at the store so that the company will be able to get around the Truck Act by deducting the cost of goods purchased, in other words, making payment in kind.

Mr. VIEN: Does the hon. member realize that all that he has said now touches the conditions of the miner's civil contract, over which this parliament has no jurisdiction whatever?

Mr. GARLAND (Bow River): I trust the hon. gentleman will elucidate the constitutional aspect of this question later. I am dealing with this case because I feel that I may add a little to the sympathy that has already been generated by the speech of the hon. member for Centre Winnipeg (Mr. Woodsworth).

Mr. VIEN: You cannot increase our sympathy.

Mr. GARLAND (Bow River): Perhaps I can get some measure of action on it.

Mr. VIEN: Not by that means.

Mr. GARLAND (Bow River): The checkmen's fees are deducted, the doctor's fees, the United Mine Worker's fees are deducted the relief fee is permitted to be deducted and the church fee and the hospital fee. On this particular sheet I hold in my hand, 25 cents is deducted for church, 25 cents for hospital and 30 for relief, and so on.

I went into this matter a little more deeply than simply to examine the pay envelope of these men, and I find on communication with the men that the following situation exists. During the calendar year 1923 the Dominion No. 6 colliery worked 207 shifts. Then 142 datal men were employed at wages ranging from $2.33 to $3.75, or an average of

$3.20. An illustration of the position of a married man with six children is then given:

Income for 207 days, at $3.30..		$683 10
Expenses house rent, etc..	$ 84 00	
Coal..	92 00	
Light..	28 80	
Sanitation..	3 00	
Doctor, hospital and relief.. ..	49 40	
Total deductions..	$257 20	257 20
		$425 90

That leaves that man with six children and his wife a total net earning of $425.90. Out of that he must provide all the necessities in the way of clothing, food and so forth for his wife and family. The hon. member for Centre Winnipeg (Mr. Woodsworth) quoted from Shelley on "What is Slavery?" This is slavery. During the year 1924 this colliery worked 173 shifts: 181 datal men were employed on a scale of twenty different rates, ranging from $2.63 to $4.90, or an average of $3.94.

The largest number employed at one rate was about 45. They were paid $4.45. For our purpose we take this figure and calculate for a man with six children as his family working 173 days without any loss of time, every working day permitted during that year, he made a gross earning of $700.65. Deduct from that rent, light, doctor, relief, hospital, coal and so on he has a net of $443.77. Out of that net he must provide himself with his working outfit. The ordinary outfit would be as follows:

Three pairs of shoes at $3.50..	$10 50
Four suits of overalls at $2.75..	11 00
Three suits of underwear at $2..	6 00
Five pairs of socks at 40 cents..	2 00
One belt, one cap..	1 00
Lunch can..	2 00
	$32 50

Deducting this amount from the net income as above, we have $443.17, less $32.50, leaving a balance of $411.27. Out of this amount the wage earner has to provide for himself and family. While he has earned this sum in 173 days, he and his family must exist for 365 days or 52 weeks of the year and do not let hon. members forget that. That fact if no other would impel me to bring to the attention of the Prime Minister the attitude of the company with regard to the present situation that now exists there. The miner certainly cannot afford to accept a reduction of 10 per cent, even if he is on full time. He would still not be getting what the minimum wage board of Ontario would consider a decent living.

We come now to the attitude of the operator. I would refer to the Glace Bay Gazette of January 5, 1925, in that issue a semi-official or inspired article appeared and it reads as follows:

> That the Dominion Coal Company will adhere strictly to its demand for a ten per cent cut in the wages of the mine workers, the Gazette is able to state to-day on reliable authority. The company, it is informed, will not deviate one iota from its position as stated on the adjournment of the wage conference.
>
> Preparations are even now under way for placing the collieries in a position for a prolonged shut down, and arrangements are completed for the taking care of the horses in the event of their being taken out of the pits. The pits will also be stripped of pumps.

By the way, I remember two years ago there was a tremendous outcry in all the orthodox press of the country, among the respectable people, against the horrible attitude of the miners in quitting the pumps. If you believe this despatch which is semi-official, the company itself is going to pull the pumps out. With what result? The article proceeds:

> The pits will also be stripped of pumps, all movable machinery and equipment, and calculations are being made as to what collieries are likely to be lost through a long stoppage of operations.

Hon. gentlemen will note that—

> As to what collieries are likely to be lost through a long stoppage of operations.

Property is more sacred than human well-being when you can blame destruction of it on the unfortunate employees, but property is not so sacred when the employers take it upon themselves to help in the destruction. The article continues:

> While it is true that the company has applied for a conciliation board, the company itself feels that it is but a useless prolongation of the deadlock, as it knows its own position in the matter and has no intention of making any new departure from its announced policy. Its object in applying for the board is to demonstrate beyond peradventure that what it has said as to its position and its impossibility of paying the present wage rates, is absolutely correct.

And so, Mr. Speaker, we find that the Premier of Nova Scotia in proposing the conciliation board or commission to which the leader of the government referred to-day is going to have a very difficult if not an impossible task upon his hands. Both sides have declared the absolute impossibility of accepting any moderation of their present demands. Referring momentarily to the remarks of the right hon. leader of the opposition to-day may I suggest that the opinion of the workers down there is not the opinion expressed by himself. We find in their organ that they state that the American firms are selling coal in Newfoundland, in spite of Nova Scotia's nearness, an amount of coal far in excess of the amount of coal sold by Nova Scotia to that island. In Newfound-

land the coal consumed is increasing every year, but instead of that increase being filled from the nearest coal field, which is the Nova Scotia coal field, it is being filled by United States coal, thirty cents higher than the price quoted by the British Empire Steel Company. I am not sure whether that is due to inefficiency or lack of business methods or anxiety to earn tremendous profits to pay interest on watered stock. The hon. member from one of the counties down there, the Liberal whip (Mr. Kyte) referred to mine No. 1 B. This despatch mentions that mine also and also mentions facts that corroborate what he said. It can produce coal cheaper than any other mine down there. The production cost down there is $2.76. Why is the price of coal in Halifax $11.50? Surely the tariff does not enter into that? It must be very difficult to sell coal there. As a matter of fact coal dealers in Halifax are selling American coal at ten dollars a ton and at that price they are actually underselling Nova Scotia coal in the city of Halifax.

Mr. HUGHES: That just brings up a point that I was not quite clear on, the statement which the hon. member made a moment ago. Did he not say that American coal was selling in Newfoundland at thirty cents a ton higher than Nova Scotia coal?

Mr. GARLAND (Bow River): No, my statement was that coal that was being sold in Newfoundland was largely, not entirely of course, United States coal, and that the trade had increased recently, but that increased trade, instead of being filled from Nova Scotia, was being filled with United States coal at thirty cents per ton higher than the tender of the British Empire Steel Company for this trade.

Mr. HUGHES: Then the British Empire Steel Company were willing to supply coal at thirty cents a ton less than the price of American coal?

Mr. GARLAND (Bow River): Yes, that is true, but they did not get the trade because they did not look after it. The other people came in and took the trade away from under their noses.

An hon. MEMBER: Perhaps they supplied better coal.

Mr. GARLAND (Bow River): That might be so.

Mr. HUGHES: I think there must be a mistake, because the hon. member said a few moments later that American coal was sold at a lower price in Halifax than the Nova Scotia coal.

[Mr. E. J. Garland.]

Mr. GARLAND (Bow River): So it is.

Mr. HUGHES: The two statements do not tally.

Mr. GARLAND (Bow River): They are two different parts of the country; one is Newfoundland and the other is Halifax. I might as well read the balance of the reference to Halifax. It is as follows:

A week or two ago we were in Halifax and asked a coal merchant who it was that got the difference between the production cost at No. 1-B—

The mine to which my hon. friend referred.

—of $2.67 and the sale price of $11.50 paid by the people of Halifax. "Not the coal merchants," he replied, "am selling American at ten dollars and can make more money for myself than I can by selling Cape Breton coal at $1.50 more. The American operators leave us a fair margin to work on, while Besco will only allow us half the margin allowed by the American firms. American firms are delighted with a fifty cent profit, Besco scorns such profits and refuses to sell coal on such returns." "Yes, yes," we said, "but what about this $8.83 of difference between the cost at the mine and the price in the city, who gets that?" "Well," he replied, "deduct a dollar for the city dealer and another for transportation and the balance goes to Besco."

Again I should like to call the attention of this House to a question asked by Mr. Joe Steel, a member of the provincial legislature last session in reference to the purchase of coal by the government for public buildings. The reply which he received to that question was that the government was purchasing coal from the Inverness mine which is a bankrupt concern, at as low a price as $4.60, and from the British Empire Steel Company at $11.75 a ton. Why the spread, the coal is equal in quality.

To return just once more to the leader of the opposition (Mr. Meighen), I wish to ask him to pay attention to the miners' position with regard to the tariff. He argues, of course, as he usually does, that the tariff is the one thing that is going to help everybody and everything. There is no need for me to repeat the splendid argument of the hon. member for Brome or that of the hon. member for Brant (Mr. Good), but they have not referred to the attitude the miners are likely to take in the matter. I, therefore, have pleasure in quoting the following:

When Besco was organized it was to cut down production costs. She has done so without one moment's regard for human sufferings by laying off miners and over-crowding the mines that did continue to operate; but that did not end the cheapening process by a jugful. New cutting machines were introduced into the mines, which resulted in pushing up the death rate among the miners and the profits of the corporation and greatly cheapening production costs. Then there was the opening of No. 26 mine, and here the labour cost for datal labour was more than cut in half by the new improved haulage system. No doubt this

"improved" haulage system is likely to prove a terror to the miners employed in that mine. Besco is producing coal landed in the cars at No. 26 mine at $2.67 per ton; she can ship this coal to Montreal for 87 cents a ton and sell it in large lots for $6 per ton and at higher rates for smaller quantities. There is no coal from the United States that can be brought to Montreal over the long rail haul and compete with this price. Besco always puts up the price to the point where it allowed her to ship in just under the price asked for American coal, and the price asked by Besco bears no relation to the cost of production and transportation but is exactly the twin brother to what the trade will bear. Besco could sell her coal cheaper in Montreal than she does to-day and still have a very good thing, for the financial year of 1923 on her mining operations Besco cleared nearly three million dollars. This is the same whining, lily-fingered bunch that is getting the Sydney Board of Trade, headed by their man Friday, Armstrong, to go to Ottawa and jabber their heads off about the tariff and "everybody sacrificing something to get business going." All of which means that the miners will be advised to take less wages and have Besco's impudent request for a cut sanctified by King, Murdock, Armstrong and the other flunkies of capitalism. However, the miners in their convention showed the Tory press that they did not fall for the Tory bunk and clap-trap about the "tariff" and Besco's well laid scheme with their flunkies on the Sydney Board of Trade and join in the mock parade to Ottawa.

Mr. MURDOCK: What paper is the hon. member reading from?

Mr. GARLAND (Bow River): The mouthpiece of the labour people of that district, the Labour Herald.

Mr. MURDOCK: The Maritime Labour Herald?

Mr. GARLAND (Bow River): Yes; at Glace Bay, December 6, 1924. I have, therefore, laid before this House two despatches giving both sides of the case, one from, perhaps, my hon. friend's paper, certainly that of the Armstrong administration, and one from the labour people. I do not think I would be doing justice to myself or my constituents if I did not join with the hon. member for Centre Winnipeg (Mr. Woodsworth) in an earnest and urgent plea to this government to take into consideration the desperate position of these men now. There is no use waiting for that indeterminate time when, we are informed, a commission may be appointed by the Armstrong government. I do not know when that will be. We certainly know it is going to be very difficult to get these two opposing forces together. In the meantime, what is going to happen to the Canadian women and children who are there, to those people who have nothing whatever to do with this industrial strife but who must suffer because of it? I must earnestly plead with the government and my hon. friend the Minister of Labour (Mr. Murdock) who told us that we could bring our troubles to him as to the foot of the throne, to consider this question seriously. I am perfectly willing to give my sanction to an expenditure of this character, far more willing than I would be to voting $100,000 for a stone monument to war. Again, let me suggest to the Prime Minister not to be carried away or become too excited over the despatches from Sydney. Mr. Armstrong may have a harder job on his hands than he thinks he has, and it may take a long time to get these industrial matters settled while in the meantime some relief is urgently needed. That prosperity which we are continually being told is just around the corner, and which I am just as anxious to see as anybody else, seems to me to be as many corners off to-day as it was a year ago.

Mr. W. F. CARROLL (Cape Breton South and Richmond): Before commenting on the very splendid address of my hon. friend from Centre Winnipeg (Mr. Woodsworth), I desire to say a few words with reference to some of the other remarks that have been made this evening. I must say that my hon. friend from Brant (Mr. Good) and my hon. friend from Bow River (Mr. Garland), as well as several others who have spoken on the question, have given evidence of a very large fund of very inaccurate knowledge concerning coal mines and coal mining in the island of Cape Breton. Touching the point raised against the British Empire Steel Corporation by the hon. member for Bow River, that hon. gentleman produces a pay sheet of that company and reads off a whole list of what are known as "off" taxes, the purpose of which in this connection I do not see. Every one of those off taxes, with the exception of the one regarding credit in the stores, which is given by power of attorney, is a matter of agreement between the United Mine Workers of America and the British Empire Steel Corporation; it is a contract between these two parties whereby these taxes are taken out of the sheets. And even the fees which the members pay to the United Mine Workers of America are deducted from the wages of the labourers every Saturday night, or at least once a month. With regard to the article which the hon. member read from the Glace Bay Gazette, I agree with him that it had a very great deal to do with the falling down of negotiations between the company and its employees a fortnight or three weeks ago.

Mr. IRVINE: I understood the hon. gentleman to say a few minutes ago that the pay sheet quoted by my hon. friend from Bow River was not from Nova Scotia. Whose information is correct?

Mr. CARROLL: I told the hon. gentleman that if he was reading anything from a pay sheet which showed cost to attorneys, as he put it, then it was not a pay sheet of the British Empire Steel Corporation. The hon. gentleman made an explanation and no doubt the sheet to which he referred is one that properly belongs to the company. I repeat, that article, which my hon. friend says was inspired by the agents of the British Empire Steel Corporation, did more to cause a breakdown in the negotiations between the company and the men than anything else that occurred. I do not know whether it was an inspired article or not, but if it was inspired, then the man who inspired it is not a Canadian citizen and should not even be allowed to do business in this country. Who inspired it, I say, I do not know; and my hon. friend, although he lives three or four thousand miles distant from that section of the country, seems to know more about the situation than I do. Whether or not the Glace Bay Gazette is the mouthpiece of the company I do not know and I do not care; I do know it is no friend of mine politically.

As for the argument of my hon. friend with reference to the royal commission which will likely be appointed by the Armstrong government, I do not quite follow him in what he says in that direction. He agrees with everything said by the hon. member for Centre Winnipeg; and that hon. gentleman suggested and strongly urged that a royal commission should be appointed to go to the root of the troubles in Nova Scotia between the United Mine Workers and the company that operates there. I am afraid my hon. friend is a doubting Thomas. I have great hopes that if the Armstrong government appoints a royal commission composed of good substantial citizens their labours will be satisfactory. And, when I say business men I do not care from what walk of life they come—whether they are miners or steel workers or men in any other vocation. But if the Armstrong government appoints men who the people will feel are just and fair they will go into the question in the way the miners of Nova Scotia and the steel workers want the whole thing probed; and if that is done then I say that the commission will be a success. The whole situation will depend on whether or not the men will receive an increase of wages if the British Empire Steel Corporation can afford to give it to them, and that question of wages will be probed by the commission, as I hope, when it is appointed by the provincial government.

[Mr. Irvine.]

Mr. WOODSWORTH: I would ask the hon. gentleman whether the condition under which the commission is to be appointed, namely, that the men will be forced to abide by its recommendation, has not really been already refused by the miners in their reply to the company's proposal.

Mr. CARROLL: I do not know whether the miners have accepted it or not, but they will be given an opportunity of either taking or rejecting it. Of course, there may be a middle course; there may be an amendment to the letter which the Prime Minister (Mr. Mackenzie King) read to-day. There is always compromise; and the great trouble not only with the people of Nova Scotia but with hon. gentlemen in this House is that there is not sufficient compromise. If there had been more compromise in Nova Scotia in the last six months on the part both of the men and of the company we should not have the trouble that exists there to-day.

With regard to the coal industry of Nova Scotia, I would point out that the telegram which the hon. member for Centre Winnipeg read to-day comes from Sydney Mines in which I think there are three operating collieries. And these are the people who are looking for relief from this government or from some quarter. But that is a very small proportion of the mining area in the island of Cape Breton. We have, operated by the British Empire Steel Corporation in the island of Cape Breton alone, 26 or 27 collieries, and my hon. friend receives a despatch from the centre asking for relief where there are, I believe, only 3 collieries operating. The other 23 collieries are not mentioned in this despatch at all, and that is a very important point for the House to note. Coming to the other 23 or 24 collieries, I may say that they are all contained in the county of South Cape Breton which I have the honour to represent. I do not say that things are ideal in those 24 collieries; they have never been ideal, and I hope that they will improve in the future. But there is only one particular section of these 24 collieries which to-day actually needs relief, and that embraces No. 2 and No. 9. No. 2 is one of the largest collieries in the world, and it and No. 9 are on the same shaft, the one overlying the other. In that district during the last three months there have been only two or three days work per fortnight.

I had a telegram the other day which the Minister of Railways (Mr. Graham) read to the House. It was from the Rev. A. M. Macleod and Dr. Sullivan, who were chairman and secretary respectively of a meeting held in Glace Bay to which my hon. friend

from Centre Winnipeg has referred. Those people did not ask me to go to the government and seek monetary assistance. They did suggest that the Canadian National Railway management should be approached to give an order for bank coal so that the operators could go ahead and mine it, thus giving employment and helping them out of their difficult position, the railway to take delivery in the spring. They also suggested that I should see the railway management as to a rail order. I knew that a rail order had been given three or four weeks ago—the order to which reference is made in yesterday's Montreal Star. That is the only source from which I have had complaints since I came to Ottawa this session. I know there is difficulty in the Sydney mines as mentioned in the telegram to my hon. friend (Mr. Woodsworth). The cause of that difficulty has been explained by my colleague from Cape Breton South and Richmond (Mr. Kyte).

As requested, I went down to Montreal last Thursday and saw Mr. Wolvin, president of the British Empire Steel Corporation, and Mr. Vaughan, purchasing agent of the Canadian National Railways. It has been suggested to-night that the Canadian National Railways would not buy bank coal because it deteriorates. Let me say that the Canadian National has been buying and using bank coal for the last twenty-five years. There was, I believe, a little difficulty because last year the coal was not mixed with newly mined coal. It must be remembered that it is only in the summer months that we can ship our coal satisfactorily from Cape Breton; in the winter time the railway rates are prohibitive. Those two gentlemen were unable to take action because nobody knows where he is at, to use a colloquial expression. The British Empire Steel Corporation do not know what freight rates they will be charged on their coal. My hon. friend from Bow River (Mr. Garland) suggests that they were asking all the trade could bear. Is my hon. friend so charitably disposed that he would sell his grain to-day for $1.10 a bushel when the market price ranges from $2.00 to $2.05? I presume the British Empire Steel Corporation is in the same good company with my hon. friend in this regard: they get what the trade can bear, and so does he. The Canadian National cannot contract with the British Empire Steel Corporation because the trade is in such an unsettled state; the corporation do not know whether they will be forced to pay ten per cent more than the present rates, or whether they will be allowed by the commission to put into effect a ten per cent reduction. I am in hopes that there will be no decrease in the miners' wages. I believe that if the miners get steady work they are practically satisfied to continue at their present wages. I repeat, I am in hopes, and those hopes I believe are well founded, that there will be no reduction in the miners' wages, especially in Cape Breton. Those are the only two mines out of twenty-six from which I have had any complaints. Of course, everything is not satisfactory. In the other mines they are only working three and four hours a day. But may I point out to my hon. friend (Mr. Woodsworth) that if he turns over the front page of the Sydney Post from which he read the horrible picture there painted, he will find on the next page a glowing picture from the town of New Waterford, where their four collieries have been working for the last month or more. There are always two sides to every question.

My hon. friend from Brant (Mr. Good) may talk about the spy system and so forth, but the trouble originated during the war. Previous to 1914 we never had any difficulty in selling all the coal we could mine in Nova Scotia; we had a splendid market in Montreal and Quebec. At that time the British Empire Steel Corporation—then the Dominion Steel and Iron Company—had a magnificent fleet of coal ships plying between Sydney and Montreal. Those ships, I venture to say, carried coal cheaper than any other transportation line in America. The company also owned well-equipped piers both in Sydney and in Montreal. Soon after the war started practically every one of those ships was commandeered by the British Admiralty, and as a result we lost the Montreal market, which was captured by the Americans. They hold a great part of it still, but we are gradually coming in again and I am hopeful that a few years hence the British Empire Steel Corporation and the other coal companies of Nova Scotia will have completely regained that market.

To show how much a very slight reduction of freight rates will benefit our coal trade, I may mention that through the action of the Minister of Mines (Mr. Stewart) a bonus of one-fifth of a cent per ton per mile was granted by the government last year on all coal from Nova Scotia mines destined for points west of Riviere du Loup. This enabled the British Empire Steel Corporation to ship 100,000 tons of coal to markets which they were never able to reach before. There is one of the difficulties which the coal trade of Nova Scotia has to contend with. We may talk about tariff and other things, but the cost of rail transportation is the great underlying

difficulty confronting the coal trade of our province.

The steel industry has been at a low ebb throughout the world for the last year, but we have not been in such very bad condition in Sydney. Some portions of the city are in bad straits, of course, but the first of this year the British Empire Steel Corporation was able to capture a very large share of the Australia and New Zealand markets. When I left Sydney the first of this month a steamer was clearing from the port of Louisburg for Australia laden with products of the Dominion Iron and Steel Company. I do not think the outlook is so very bad. I am hopeful that the proposition put forward by Premier Armstrong will be accepted both by the British Empire Steel Corporation and by the workers, and that they will be able to get to work on their summer contracts in April. If so, I feel that the whole trouble of the coal and steel industry in Nova Scotia will be at an end.

I am not going to argue, Mr. Speaker, whether we had harder times under the Conservative government than we are having under the Liberal government; I am not going to argue that the tariff would or would not be a cure for our troubles in Nova Scotia; but I do say—and I think it was pointed out by my hon. friend from Bow River—that the miners themselves think that the tariff is not going to help them, because when the delegation from that province went to the United Mine Workers and asked them to appoint delegates to go to Ottawa to interview the government in order to obtain an increase of tariff, those mine workers absolutely refused to do so.

The right hon. gentleman speaks about the tariff being the trouble with us. I do not think it is. The tariff on run of mine coal remained at 53 cents a ton from 1911 until 1917 and on slack coal at 14 cents a ton from 1911 until 1921. If my hon. friends on the other side, who were then in power, thought that an increase in the tariff would be beneficial to the coal trade in this country, why did they not put that policy into effect and give us a higher tariff? That is something I am unable to understand.

Mr. MEIGHEN: I wish the hon. member had put the question to me when I was on my feet.

Mr. CARROLL: Well, I presume that when the right hon. gentleman brings down his budget he will explain to this House—

[Mr. Carroll.]

Mr. MEIGHEN: If the hon. member will read the memorial of his leader in Nova Scotia he will find the explanation very complete.

Mr. CARROLL: Well, I know Mr. Armstrong very well and if he has done this it is the first time in his political history that I have known him to make apologies for the Conservative party. I read the memorial very carefully and I do not see where Mr. Armstrong gave any explanation on behalf of the Conservative government of why there was no increase in the duty upon coal from 1911 until 1921. If a duty on coal will benefit—

Mr. MEIGHEN: If the hon. gentleman will permit me, the memorial explains very fully that on account of the increased value of coal, a specific duty, while a sufficient duty in 1916, is an insufficient duty to-day. The memorial shows the rate of increase since 1916. In fact, that is the whole burden of the memorial.

Mr. CARROLL: Yes, but my right hon. friend must not forget that coal was never so costly in Nova Scotia as it was from 1915 to 1917 or 1918.

Mr. MEIGHEN: Not according to the memorial.

Mr. CARROLL: I have not the memorial before me.

Mr. MEIGHEN: I have.

Mr. CARROLL: I venture to say my right hon. friend will not make the statement on his own account—and if he does he will not be backed up by the memorial of the Premier of Nova Scotia—that coal did not cost more between 1915 and 1918 than at any other time in the history of this country.

Mr. MEIGHEN: Just a minute; I will have that.

Mr. CARROLL: I have good reason to know it, Mr. Speaker. In 1915 coal prices to the householder in the city of Sydney and the town of Glace Bay went up some 85 per cent. In November, 1918, the price was cut one dollar a ton, and it has remained there ever since. I think that is a fair index of the market value of coal in that particular part of the country.

As to the other phase of the remarks of my hon. friend this evening, that is, the relief he prays for, I have said to the House that I have had no requests from the coal miners of my part of Nova Scotia for any monetary relief from this government. They

did ask me to do certain things, which I tried to do and failed, except, of course, with reference to the steel order. I do not think the miners of Nova Scotia want doles. They are being looked after fairly well in the city of Sydney—and the city of Sydney suffered more last year than any other part of Nova Scotia.

Mr. MEIGHEN: Will the hon. gentleman permit me? I have the figures now, taken direct from the memorial. The memorial states that 6,949,540 tons imported in 1916 were of the value of $7,908,125 and that in 1924—

Mr. CARROLL: What year was that?

Mr. MEIGHEN: That was 1916, right between the two years the hon. gentleman named, 1915 and 1917. In 1924, according to the memorial, 11,544,184 tons were imported at a value of $34,341,956.

Mr. CARROLL: My hon. friend must be mistaken, because we did not mine 11,000,000 tons of coal.

Mr. MEIGHEN: No, these are importations.

Mr. CARROLL: Oh, well—

Mr. MEIGHEN: If the coal imported was more valuable in 1924 than in 1916 I would think the local coal would be the same.

Mr. CARROLL: The strange thing is that it was not the same. I can understand very well the argument of the gentleman who prepared or who presented the memorial. That is in regard to United States coal, but they are producing coal very much cheaper down there than we are. They can get it into the Montreal market—and they got it there last year, notwithstanding what has been said in this House; the same grade of American coal came into Montreal last year from the United States at a price from 14 to 18 cents lower than that of the Sydney coal, notwithstanding the cheaper transportation from Sydney.

Mr. MEIGHEN: At far higher prices than in 1916.

Mr. CARROLL: Oh, no.

Mr. MEIGHEN: Oh, yes, twice as high—three times.

Mr. CARROLL: My right hon. friend did not catch the weight of my argument. He is trying with his usual cleverness to get away from what I said.

Mr. MEIGHEN: I caught it exactly.

Mr. CARROLL: The point I was making—and I will return to it—is this: it is a marvel to me as well as to friends of the right hon. gentleman in Nova Scotia that there should be so much talk about tariff to-day when the same tariff exists in relation to Nova Scotia coal that existed from 1911 to 1921. My hon. friends made no move when they were in power to increase the duty on coal. Why? Because a howl would go up from every manufacturer in Ontario and Quebec if they dared to lay unholy hands on coal and place a little higher duty upon it.

Mr. GRAHAM: Even if they were in power now they would not do it.

Mr. CARROLL: I do not believe they would. There is only one way to judge a party, just as there is only one way to judge a man—you must judge his future by his past. If on this question of coal we judge the future of the Conservative party in this country on their past record, then I say the duty on coal will never be increased by them.

Mr. LADNER: Should it be increased?

Mr. CARROLL: What does my hon. friend think?

Mr. LADNER: I am asking him the question.

Mr. CARROLL: What does my hon. friend think? I am an Irishman.

Mr. LADNER: If you are Irish you should have more courage.

Mr. CARROLL: I never lacked courage when it was necessary. With regard to some of my hon. friends who seem to think that no good has come out of conciliation boards or out of royal commissions as regards the coal trade, may I say that there has never been a royal commission or a conciliation board dealing with the question of coal in Nova Scotia that did not give the miners of that province an increase? I think under the premiership of the present leader of the opposition a royal commission was sent down to Nova Scotia in the summer of 1917 or 1918, and I remember that Rev. Clarence McKinnon was one of the members of that commission. As a matter of fact it may have been later than that; it may have been in 1919 or 1920. They went down there to investigate the coal industry in Nova Scotia, and without getting the two parties together, without going into the question at all they got the operators to agree to give the men a ten per cent increase. The same result has followed from two or three different concilia-

tion boards. I am not going into the question of who should appoint a royal commission to investigate coal conditions in the province of Nova Scotia or any other province, but had Premier Armstrong refused or neglected to appoint a royal commission in this instance, I was prepared to move the adjournment of the House here on some occasion in order to ask this government to appoint a commission of inquiry. But Premier Armstrong has appointed a commission, and there is therefore no necessity for this government to jump in at the present time.

A royal commission was asked for in 1921, I think, and a delegation came up here. At that time I said I was opposed to this government appointing a royal commission until they had found out whether anything could be done under the conciliation act. A great deal has been said in the debates this session as to the action of the Privy Council in declaring ultra vires of this parliament the so-called Lemieux Act. May I point out that on the statute books of Nova Scotia there has been since 1890 one of the best arbitration and conciliation acts for the settlement of disputes between employers and employees that exists on the statute books of this country. It is contained in chapter 21 of the old revised statutes of Nova Scotia, 1900. There may be some phases of that arbitration act which do not suit present day conditions, because it has not been brought up to date; but in every instance where trouble has occurred between employer and employee in Nova Scotia we have fallen back on the conciliation act of the federal government. The coal industry in Nova Scotia is not disturbed by the fact that the Privy Council has declared that act ultra vires of this parliament. It is unfortunate that that has happened, but we are not badly off in that respect in Nova Scotia. So far as the province of Nova Scotia is concerned, in order to show you that they intended to look after their poor and distressed, the Assembly of the province twenty-five years ago delegated to the municipalities power to look after their poor and distressed. I do not pretend to know what the conditions are in other provinces, but obviously twenty-five years ago Nova Scotia intended the municipalities to look after the poor and distressed in that province. I do not say that the time may not come—the time has been in this country—when this government should alleviate the suffering of the poor in any province. There may come a time when that will be necessary; it may be now; it may be that before this parliament rises dire necessity may exist in some part of this country which this government should relieve. But I do not think that time has come. There is a board of trade in my part of the country, in South Cape Breton, which has asked this government for relief, and those are the only terms upon which I would support this government giving monetary relief to any part of this country, when and only when the parties who are responsible for the relief of the poor should come to this government and ask for help. But not one city board in my county has asked for help. They are doing what they can, and our business men are also contributing to the relief of the poor and unemployed. I do not know just how they are getting along, but I do know that up to the present time not one of our city boards has asked this government to come to their assistance in that regard.

I have taken a little more time than I intended. As a matter of fact, I did not intend to say anything on this subject at all.

10 p.m.

In conclusion, I would say that there is only one way in which the coal industry can become substantially successful in the province of Nova Scotia or anywhere else, and that is when you have harmony between the operators and the men. A great deal of the propaganda which has been read here to-day—I am not alluding to my hon. friend from Centre Winnipeg (Mr. Woodsworth)—does not tend to bring about that harmony which should exist between employer and employee in the coal trade as well as in any other. I believe in the importance of that factor, and I have not in my political life ever done anything to injure that harmony in any way. So long as I am in public life I am not going to criticise the British Empire Steel Corporation, just for the sake of criticism, and I am not going to criticise the men who work for that company, just for the sake of criticism. That does no good; it simply widens the breach. The man who does good is the one who tells both sides simply and frankly: You have a function to perform, and you also have a function to perform. I would tell the British Empire Steel Corporation: You must pay the people in your employ not only a living wage, but a wage on which they may have some title of comfort above the mere standard of living. I would say to the men: Having received that wage you should do everything possible to make the works which your employers have undertaken successful, not only from a business standpoint but from a national standpoint, for the coal industry in this country is a national asset and we should so look upon it. I am hopeful that notwithstanding the foreboding outlook of some of

those who have spoken on this question to-day, the British Empire Steel Corporation and its employees will get together and that we shall have within a few months a repetition of some of the good times we have had down there. Hon. gentlemen talk about twenty years of stress and strife in Nova Scotia. Why, I can go to Montreal and show you where there have been forty years of strife right in that city.

Mr. MARLER: Whereabouts?

Mr. CARROLL: I am not speaking of Montreal particularly, but the same is true of any industrial centre, Toronto, Winnipeg or any other city. Labour troubles are as old as any city. My hon. friend from Brant (Mr. Good) spoke to-night with an overabundance of hope of the good that may come out of this inquiry, but let me tell him when he talks of twenty years of stress and strife in Nova Scotia that we have had no more stress and strife between employer and employee in that province than there has been in any other part of Canada. I could point to the constituency of my hon. friend from Bow River (Mr. Garland). What has been going on out there in the last few years? Has there been contentment, has there been happiness, has there been harmony between employer and employee in that part of the country? It seems to me that a great many who have spoken on this subject to-night are trying to focus attention on the troubles between the British Empire Steel Corporation and their employees in order to keep clear of their own troubles. Has all been contentment in the constituency of Brant? Have there never been strikes there? If there have not, it is a poor place to live in, because the people are not progressive.

Mr. GOOD: In referring to the twenty years, I was merely quoting the statement of the Minister of Labour (Mr. Murdock). I might ask the hon. member how he can expect this harmony which we all desire if the facts that I stated exist, and continue to exist?

Mr. CARROLL: Will my hon. friend vouch for all the statements he has made here to-night? Will he vouch, for instance, for the statement made in the telegram that he read from Sydney Mines that there was much distress and suffering in all industrial centres at Cape Breton and that it had existed all summer?

Mr. GOOD: I can only say I have great confidence in the man who sent the telegram to me.

Mr. CARROLL: I have better confidence in myself, because I know conditions there. I have lived there for forty-four or forty-five years, and I expect to live there another forty years anyhow. I say again I hope—and I use the word "hope" very often—I am in great hopes that the difficulties are going to be overcome for a time in any event in the coal and steel industry, so far as those industries are concerned. Give us one year such as the years between 1904 and 1909, just one year with such employment as we enjoyed then, and we will be the happiest and the most contented people in the whole Dominion of Canada.

Mr. WILLIAM IRVINE (East Calgary): In rising to make a few remarks I can scarcely hope to add any new information on the subject under discussion; nor is it my intention to attempt to criticise to any extent such policies as may have been advanced as a remedial measure for the situation which is reported to exist in the Nova Scotia mining and steel industrial centres. I rise rather to see whether I cannot bring the matter to some practical head, to see whether, after all the threshing of straw that has continued throughout the day, there may not have been a little golden grain somewhere for those hungry people in Nova Scotia. I have heard it said that while Rome was burning Nero fiddled, and it is just possible that while we have wrangled here in parliament in political gymnastics and spent the whole day discussing constitutional trivialities, there are some children in Nova Scotia starving. So that if there is going to be any point to our discussion, if we are at all justified in occupying the attention of the House for the last six hours, I surely am now justified in making a plea that the government of the day, having recognized the facts in the case before us, will proceed to give some immediate relief to a situation which is stated in the motion as being urgent—something that has to be dealt with immediately. In making my plea for this relief I want first of all to enumerate the salient facts of the case; I want to recall the attitude of the government as expressed on the issue, to point out the policy that has been advanced by others and repudiated by the government, and to ask if the government is prepared to take some practical action that will relieve the situation.

The hon. member for Centre Winnipeg (Mr. Woodsworth) presented the case for the Nova Scotia miners. He has been complimented on his presentation from all parts of the House, so that I gather from that circumstance that he was fair and did not ex-

aggerate the facts. Now the facts which I wish to enumerate at the moment, and which are relevant to the plea which I wish to make are that there are distressful conditions existing in Nova Scotia at the present time. These conditions are of long standing but at present have reached unprecedented intensity. These alarming economic conditions which are said to be chronic by the hon. member for Cape Breton South and Richmond (Mr. Kyte), and which are admitted to be very serious at the moment, have been brought about partly by industrial disputes between the men and the company, and partly by very undesirable economic conditions which are not confined to Nova Scotia, but which are widespread throughout the Dominion of Canada, but which seem to have reached a more alarming proportion in that province than in some other provinces.

In connection with this condition an appeal has been brought before this House asking for relief. That appeal was inspired by a message sent by the relief committee of Nova Scotia to the effect that there were a great many people there who were suffering from great distress and were in danger of starvation. We were told by the hon. member for Centre Winnipeg (Mr. Woodsworth) of some of the conditions that existed there, and I must say that while some of the conditions which he portrayed seemed to me to be almost unbelievable, still I must recall the fact that the hon. Minister of Labour (Mr. Murdock) acknowledged that there had been no exaggeration and that the case had been stated very fairly. We hear from the hon. member for Centre Winnipeg that a great number of people were living on meals which cost about four cents each. We hear that some children had no clothing except old flour bags. We hear that some of the children did not perhaps have very good flour bags, and some of them were very hungry; so much so that people had been known to gather mushrooms in the field in order to keep them from starvation. I hope hon. members from Nova Scotia will not think for one moment that I am trying to throw a slur at that province when I mention these facts. I venture to say that to some extent these conditions can be found all over Canada. I think the Minister of Labour possibly has in his possession at the moment a message by the mayor of my own city informing him of the conditions in our city in regard to unemployment and also informing him of the suffering of men and women brought into Calgary this year as a result of the immigration policy of the government. This shows it is not only Nova Scotia alone that is suffering, but it happens at the moment that the conditions are more acute there than anywhere else.

These are the conditions and the question is what can this parliament do. We have not helped the miners of Nova Scotia, nor have we helped the people of that province, nor have we improved the business conditions of the company by the discussion which has taken place to-day. The only way we could expect to improve conditions down there would be by giving some relief to the people actually suffering. What then can we do about that? I turn to see what is the attitude of the government, and in order to find the attitude of the government I must refer to the utterances of the hon. Minister of Labour (Mr. Murdock) and of the Prime Minister (Mr. Mackenzie King). The Minister of Labour as already pointed out acknowledged the facts as stated by the hon. member for Centre Winnipeg (Mr. Woodsworth). He expressed his sympathy for the suffering people and he also added his regrets that such a condition existed. But while he was sympathetic, as I am sure we all are, and while he regretted the situation, as I am sure we all do, he confessed the impotence of the government to do anything in the matter. According to him it was not possible for parliament to take any action in this case. I am very glad Mr. Speaker for one thing at least in this discussion, that the right hon. leader of the opposition (Mr. Meighen) has, I hope, forever torn the covering of the British North America Act from the shoulders of the government and exposed the nakedness of their policy to the Dominion of Canada. With regard to labour policies and labour difficulties, ever since I have been in this House, the minister has rolled himself up in the British North America Act. I am glad, I say, to hear that this issue has been completely and finally separated from the British North America Act, at least as regards the plea for relief which I want to make now to this government on behalf of the starving people of Nova Scotia. We are asking for a sympathetic consideration which, as the leader of the opposition (Mr. Meighen) has pointed out, has been granted by this parliament in many instances prior to this. We are told that ninety millions of the people's money, that is ninety million dollars from the pockets of the Canadian people, have been donated to the company that is at the present time largely responsible for the starvation conditions in Nova Scotia. I wish that some British North America Act had stood in the way of those donations.

Mr. MURDOCK: To permit the use of the word "donate" would be rather improper. I did not say "donate." Ninety million dollars of the people's money have been expended in bonuses or for the products of the company.

Mr. IRVINE: In using the word "donate," I was using it entirely on my own account and was not putting it into the mouth of the Minister of Labour. But you may modify the word, if you wish; you may call it "expenditure" if that sounds better. We have expended ninety million dollars of public money on this company, and I say there was no British North America Act then to stand in the way of that. If I mistake not, both historic parties have to accept responsibility for that expenditure. Whether that expenditure was justified or not, I am not now discussing; but if the Canadian government has, without hesitation, spent ninety million dollars of the people's money in building up a company, surely we can make a small donation to save from starvation some children that are suffering at the hands of that very company which we have so handsomely bonused.

I must express surprise that the Minister of Labour should have deplored the fact that labour men, not only in Nova Scotia, but throughout this country, are so ready to make their appeals to the government for aid. I would warn him that if they receive no better reception than they are likely to receive today, it may be that they will get tired of having hopes in the government and may cease to bring any appeals whatsoever to it. Where should they come for relief, but to this government? Has this government not power over the financial institutions of this country which are more than anything else responsible for the conditions which we are now discussing? Has this government not full charge of the immigration policy of this country and does it not persist in still bringing in people when it has no work for the people that are here? Has this government not full control over the whole fiscal policy of this country which has an immediate effect on employment and working conditions of the people of Canada? Then, shall the labour men who may be the victims of any one of these policies of the government, not make their appeal to this government? Where else would the Minister of Labour have them go? Would he suggest that they lose all hope in this government of interfering in their interests and take direct or industrial or some other kind of action? If the Minister of Labour is not prepared to listen to their plea, it seems to me there is no other action for them to take than some such action as he would characterize as unconstitutional. It must not be forgotten that even this government found no act to stand in its way when it wanted to find some steps that would lead to the sending of troops to fight labour men when they made their appeals. I hope that the situation which we are discussing now will not be permitted by the present administration to go on until it is necessary to spend more money in sending troops to quell disturbances than it would to keep these people from starving at the present time.

Mr. MURDOCK: I know my hon. friend does not want to be unfair, and he will, therefore, admit that troops, whenever sent, were requisitioned in accordance with the law.

Mr. IRVINE: I am not trying to place any blame on the present government in the sense that they did something that was illegal. I simply said that they did not try to look for any British North America Act to stand between them and that kind of action, but they are looking for a British North America Act to stand between them and the taking of relief measures in regard to the miners of Nova Scotia. That, I think, is a fair criticism from the facts.

The Prime Minister, speaking also for the government, brought forward a document which came over the Associated Press wires, I believe, purporting to be a proposal advanced by the Premier of Nova Scotia. On the grounds of that the Prime Minister expressed the opinion that the discussion might very well be dropped in this parliament. I do not know whether it would be in order to discuss that proposal, for it may well be that a discussion of it here might stand in the way of the use that it might otherwise be. I will, therefore, say very little about it beyond remarking that it is too remote to be of immediate assistance in a situation that is termed as urgent; there was not anything in the document read by the Prime Minister which I did not read in the proposal which came to me this morning in the shape of the Besco Bulletin which was the actual proposal of the company itself; and further there was in that document a clause which I do not think any group of organized labour anywhere could possibly accept, so with these observations with regard to that, I cannot see how this parliament, after having discussed this question for a day, can presume to drop it on

the grounds that the document presented holds a solution for the problem of the people of Nova Scotia that are represented as in a condition of starvation.

Mr. PUTNAM: What clause does the hon. member refer to as necessarily unacceptable?

Mr. IRVINE: The clause which makes binding upon the labour men to accept the wage scale which might be decided upon by a committee that has not yet been appointed.

Mr. PUTNAM: That is, if they freely choose to go into it.

Mr. IRVINE: Certainly, but I am pointing out that they are not likely to go into it. If, however, they do, it is not an immediate thing. The Prime Minister also was very careful to throw from his shoulders the responsibility in this matter of granting relief and pointed out to us that local governments must be responsible for unemployment and all suffering that arises therefrom. Let me add in that connection that it is just possible that unemployment and suffering which result from the policy of the present administration may, some day, become such a burden on local governments that they may not only not be able to carry it, but rebel against it, and consequently the solicitous care expressed by the Prime Minister to protect the British North America Act may become the means of its final overthrow.

I do not think that we can possibly hope to get anywhere by trying to throw the responsibility on the shoulders of somebody else. The leader of the opposition (Mr. Meighen) brought forward his policy; and let me emphasize the fact that it was a policy. It is not my business to criticise it at the moment, although some hon. members have felt it their duty to do so. But at any rate the right hon. gentleman did have a policy which in his opinion would have some effect on the situation. But the government so far has advanced no policy at all. It is true that the hon. member for Brome (Mr. McMaster) took the leader of the opposition to task and refuted his arguments in the orthodox free trade manner. And he did it well. If he meant to contribute anything to the discussion, he meant inferentially that the cure for the Nova Scotia difficulty lies, not by any means in the raising of the tariff but rather in a lowering of it. But I notice that he did not speak for the government in that regard, for the government made no response to indicate their willingness to lower the tariff to meet the demands of the hon. member for Brome. So far as advancing a policy is concerned, however, to meet the immediate situation or to meet any situation in a more remote period, the government if it has a policy has been quite silent on the matter. True, the hon. member for Brome emphasized the point that watered stock, which seems to have increased in great volume in the case of Besco, has a definite connection with the present situation there. But I should like to refer that problem back to the hon. member for Brome and I would ask him to use his influence as a good Liberal with the provincial government in Nova Scotia, which is also Liberal, in an endeavour to induce them to bring in legislation as speedily as they can to make it impossible for watered stock to remain in the stock of any company. That would, perhaps, be a step in the direction of a partial remedy.

Now, there are two things to be done. The first is immediate relief in the way of a donation, or a subsidy or an expenditure, or whatever the Minister of Labour chooses to call it. At any rate, some form of concrete assistance can be given to the people that are suffering. I believe that the hon. member for Cape Breton South and Richmond (Mr. Kyte) prophesied that by the middle of March, I think he said the 16th, the whole trouble in Nova Scotia would be overcome for good, and all, although he did tell us in his introductory remarks that the situation was of very long standing and had almost become chronic. Well, if he is so sure in his prophecy, which he makes on the strength of an announcement in a newspaper that he would not have quoted a year ago with any degree of authority, that by March 16 there will be no trouble nor hunger any longer in Nova Scotia, then I want to ask the government, on the strength of that prophecy, added to somewhat by the optimistic expressions of the hon. member who has just taken his seat, whether they will not guarantee that no child shall die of starvation in Nova Scotia nor suffer from cold between now and that date, when the panacea which the hon. member for Cape Breton South and Richmond advances will be put into operation. That is surely a very reasonable demand, and there is not a voter in Canada who would object to anything of the kind; nor is there any British North America Act which would be broken if the government took such an attitude. I have already mentioned the fact that the government of Canada, having made such enormous donations in times past to this company could not very well hesitate to make an expenditure now on these people who are the victims of that company in need.

It may be said that if the government made advances in relief of the miners of Nova Scotia they would be asked to do the same for people in other provinces. Very well. If that is so the government will have to meet the situation; they will have to reap the fruits of their lack of policy with regard to the industrial conditions of Canada. When all is said and done, the fact is that the economic conditions in this country account for such a situation as this, and to the lack of policy of this government in meeting those economic conditions must be attributed the present state of affairs. There is no amount of argument, no amount of prophecy, no length of debating,, that can brush aside that point. What is required in Nova Scotia is what we need in Alberta and in British Columbia and in all the other provinces as well: it is purchasing power. That is what we are asking for, and the government has lost its control over purchasing power by its own action; it has placed the control of purchasing power in the hands of financiers. So that the government must now reap the fruits of its policy. They are bitter and numerous, and they are to be found throughout the whole country; and merely to rise and say that there were hungry people in Nova Scotia in 1908 or in some other year does not get away from the situation. Even if I could take the prophecy of my hon. friend with any degree of confidence, would he be prepared to guarantee that no person will suffer from hunger or from cold from now until March 16? Would that hon. gentleman be willing to live on four-cent meals from now until that time, or without any meals at all? Here, frankly, is a situation from which, it seems to me, we have so far vied with one another in our endeavour to step aside. I have noticed a tendency on both sides of the House to try to get away from responsibility and to try to blame somebody else for industrial conditions in Nova Scotia. I do not care who is going to evade the blame, but I certainly am anxious that something definite shall be done at the present time. I therefore conclude my remarks by urging the Prime Minister to give some assurance to this parliament before this matter is finally dealt with, and some assurance to the distressed people of Nova Scotia, that this government will see to it that no one shall actually starve in that province between now and the time when this document, which it is said contains the solution of the difficulty, shall have demonstrated to Canada whether or not it can meet the situation.

Mr. F. L. KELLY (Cape Breton North and Victoria): Mr. Speaker, I had determined not to take part in this debate, but in view of the telegram read by the hon. member for Centre Winnipeg (Mr. Woodsworth), as representing the constituency of North Cape Breton I think it is only right that I should add a word or two to the discussion. The telegram is rather a surprise to me, because when I left home about ten days ago there were no such conditions obtaining as we have had described to-night. In fact the collieries in that section during the three months preceding my departure had been busier than for any winter during the last six or seven years. I know there are hardships, especially in the coal district of Sydney Mines. Unfortunately last year it became the painful duty of the British Empire Steel Corporation to close one of their collieries in that district because it could be no longer worked at a profit on account of economic conditions then prevailing. Consequently eight or nine hundred men became idle and had to be absorbed by the other two collieries still operating in the locality. When I left the district early in February one colliery was working a little over half time, and the other colliery was working only one day a week. At one colliery there was a loading machine for loading the coal into box cars for transportation to winter customers, but the absence of such a machine at the other colliery virtually closed it down.

I would only too gladly welcome the sending of relief to Cape Breton if the government could consistently see the way to do so. In fact conditions all over the colliery area, as I pointed out a year ago in my maiden speech, are chaotic, and at that time I suggested ways and means by which conditions could be bettered. At that time it was understood that a coking scheme was to be put into operation that would give us a better market for our Cape Breton coal. The rate subvention on our coal west of Montreal helped us to extend our market. We asked for other assistance to improve the Cape Breton and Nova Scotia coal industry, but as yet this further assistance has not been granted to us. The difference between prosperity and the lack of it in the coal industry is dependent on the extra market for a million tons of coal. When such a market is secured the company will be able to operate their mines at nearly full time, thus giving the men steady work and full pay, and this will materially help to settle the present unrest.

I was surprised when I heard the hon. member for East Calgary (Mr. Irvine) cast doubt upon the outcome of the proposal made by the Premier of Nova Scotia to settle the differences between the employees and the operators. I think it ill became the hon. member to make such a gloomy forecast. There has been too much of this gospel preached in the coal fields of Cape Breton and Nova Scotia, and it is largely responsible for the evil conditions existing there to-day. Labour, when unagitated, has no wish to be tearing down its employers. I give the hon. member for Centre Winnipeg credit for his very fair presentment of the men's case. There are a thousand contributing causes that make it hard for the operator to successfully mine coal in Nova Scotia, and particularly in the Cape Breton district. These mines, as has been already stated, have been operated for a long time, and now extend to a great distance under the sea, which makes it very costly to bring the coal to the surface. Having to win the coal against the grain, it all falls away from the miner, and worse than all, for every ton of coal taken out they must also take out six tons of water.

I should be delighted if the House could devise some way of helping coal production in Cape Breton. One method, it seems to me, would be to extend the rate subvention over a period of five years, so the company will have a solid basis upon which to formulate their plans for securing wider markets for their coal. And when the government puts the coking scheme into effect, this will still further assist us. We have suggested having the duty on slack coal levelled up with that on round coal. It is apparent to everybody that round coal is being brought in from the United States and mixed with slack coal to the great detriment of our coal industry. Some reasonable means can surely be devised to put an end to this circumvention of the spirit of our tariff law.

If hon. members knew the conditions at Sydney Mines from the company's standpoint, they would not be surprised at the mines being idle at this time of the year. This is simply because we have no way of getting our coal out in the winter time to supply the central Canada market, for the freight rate from Sydney to Montreal is $3.60 a ton, against 50 cents a ton in the summer time. Consequently as soon as winter comes on the operators must of necessity curtail their operations. At the present time there are 25,750 tons of coal on bank from last year at Sydney Mines. This coal deteriorates very quickly when it is thus exposed to the weather. Every ton of coal which the British Empire Steel Corporation places on bank in the winter means a dead loss of from seventy-five cents to a dollar, besides the deterioration of the coal itself. Nobody wants bank coal. When the controversy began a year ago between the men and the operators, the operators asked the men to take a wage reduction during the winter on coal that had to be banked. Disinterested people thought this a very reasonable proposition, but it unfortunately did not appeal sufficiently to the spokesmen of the miners. The operators came to the conclusion that under these conditions they had not much encouragement to bank coal and lose 75 cents a ton on it. I am telling this only because some members may not know what is going on in connection with coal mining in Cape Breton, and in view also of the exaggerated remarks which have been made in the House to-night about the prices charged for coal by the British Empire Steel Corporation in Halifax and some other places. The British Empire Steel Corporation have no control of the price of coal in Halifax. They sell their coal at the wharf at Sydney harbour for $6 a ton and anybody who wants to import coal and deal in it commercially can buy it at Sydney at that price and send it to Halifax either by steamer or by sailing vessel at a rate of from 75 cents to $1 a ton. Any excess profit on that coal at Halifax is made not by the British Empire Steel Corporation but by the middlemen who keep the price of coal up. It is not right that anyone should be deceived by statements made in this House which are not true. I would not have taken any part in the debate—the subject has already been covered from every angle—had I not heard the hon. member for East Calgary (Mr. Irvine) making a forecast of what was going to happen in respect of the well-intentioned proposal of Premier Armstrong. It was really a species of inciting the reasonable miners not to meet the operators and have a conference and endeavour to have the difficulty settled as it should be settled in an amicable spirit on both sides of a long-standing difficulty.

Motion (Mr. Woodsworth) withdrawn.

TREATY RATIFICATIONS

FURTHER TREATIES SIGNED AT WASHINGTON

On the notice of motion being called for the approval of a certain treaty between the Dominion of Canada and the United States—Hon. Mr. Copp:

Right Hon. W. L. MACKENZIE KING (Prime Minister): I would like this motion

and the following one to stand until the Minister of Justice (Mr. Lapointe) returns. However, this might be a convenient moment to intimate to the House that two additional treaties were signed to-day at Washington by the Minister of Justice on behalf of Canada and by Secretary of State Hughes on behalf of the United States. The first is to define more accurately at certain points and to complete the international boundary between the United States and Canada. The second regulates the level of the lake of the Woods in order to secure to both countries the most advantageous use of the waters therein and of the waters flowing into and from the lake on each side of the boundary. This last treaty is based on the recommendations made by the International Joint Commission on the reference concerning the lake of the Woods submitted to it by both governments. The treaties will be tabled as soon as the Minister of Justice returns.

RURAL CREDITS

On the Orders of the Day:

Mr. M. N. CAMPBELL (Mackenzie): Have any plans been formulated for the further consideration of Dr. Tory's report on rural credits?

Hon. J. A. ROBB (Acting Minister of Finance): No. I am awaiting some further correspondence from Dr. Tory.

Mr. GARLAND (Bow River): Would the government care to give any information as to when the report is expected?

Mr. ROBB: No, I could not give my hon. friend that information to-night. I will look into the files to-morrow morning and will try to let him know something about it to-morrow.

PEACE RIVER RAILWAY OUTLET

On the Orders of the Day:

Mr. H. E. SPENCER (Battle River): I would like to ask the Prime Minister if he has any report from the conference between the heads of the two railway companies in Canada with regard to the building of the proposed railway into the Peace River?

Hon. GEORGE P. GRAHAM (Minister of Railways and Canals): I may say that I have information which leads me to believe that some communication will come to me in a very few days concerning that matter.

SUPPLY

Hon. J. A. ROBB (Acting Minister of Finance) moved that the House go into committee of Supply.

Sir HENRY DRAYTON: It is almost eleven o'clock. What does my right hon. friend intend to do?

Mr. MACKENZIE KING: We would like to make a little headway. It was announced last night that we would go on with the estimates of the Department of Customs this evening, and I think we might devote a short time to them.

Sir HENRY DRAYTON: Have the estimates of the Customs department been already before the committee?

Mr. MACKENZIE KING: No, and that is one of the reasons we are anxious to go on to-night. If we do not take them up to-night we shall not be able to go on with them this week.

Motion agreed to and the House went into committee of Supply, Mr. Gordon in the chair.

CUSTOMS AND EXCISE

Civil government—Customs and Excise, salaries, $585,755; contingencies, $48,000.

Hon. JACQUES BUREAU: (Minister of Customs and Excise): The estimates are the same as last year except that on account of the increase of the work and the various taxes that we have to collect we have found it necessary to add a junior departmental solicitor. That is the only change.

Sir HENRY DRAYTON: Does this cover the cost of the income tax department?

Mr. BUREAU: No, the fusion has not yet been completed. It is engaging the attention of the department.

Sir HENRY DRAYTON: I suggest to the minister that there should not be a fusion of the costs of the collection of taxes which are entirely different in their character. It is necessary for the House to know what the costs of the collection of indirect taxes are on the one hand and of direct taxes on the other. I am not now discussing the question of the minister using in any way he proposes the staffs of either department, but if we are to know where we are, if we are to know whether a tax conforms to the general principle which should govern all taxation, namely, that the cost of collection should not exceed the amount of revenue from the tax, then there should be a separation of the costs of collection. I do not want to detain the minister, but I would like him to give his view—affirmatively, I hope—on that point.

Mr. BUREAU: The only thing I can give my hon. friend now is the percentage of the cost of collection of the revenue so far as customs and excise are concerned. I do not

think we have made any distinction as between excise and customs. They come under the same head; the same officers perform duties in both branches of the department. For 1923-1924 the revenue for customs and excise was $298,721,419.55, and the expenditure $7,435,931.59, or a percentage of 2.49. As to the income tax, I cannot say. As I have told my hon. friend, we are trying to bring these tax collecting branches under the one head, and although there has been no change made so far, it is contemplated that when the changes are made an economy will be effected. For instance, if we can get all the income tax officers in the same building with the customs and excise officers, rent will be saved and the overhead be less. The plan—I will not call it a fusion—of bringing together all the collecting branches of the department so far as that is possible has not been completed yet, but is still under consideration.

Sir HENRY DRAYTON: I do not want to unduly press my hon. friend. I am going to ask him, however to remember one fact when he is considering the bringing together of the different branches under one roof and saving overhead. That, of course, is a very good thing. But it would be a very wrong thing, and something which would work against the efficiency of his own department, if there was no check kept at all of the expenses of operating the different branches. I forget now what was the exact cost of collection of the income tax, my hon. friend will know that better than I do, but my impression is that it cost a trifle under 2 per cent to collect the tax. We were not then in as expensive a building as the department is in now, and it may be costing a little more today. I think my hon. friend will agree with me, when he comes to do it, that if there is one thing that ought to be done it is to let the country know what the cost of these services is. The country cannot know that if the cost of collection of customs and of excise, indirect taxes, is mixed up with the collection of the income tax, which is peculiarly a direct tax. I think my hon. friend has the point all right, and I am going to ask him to bear it in mind.

Mr. BUREAU: I cannot give the cost of collection of the income tax, because I have not the figures. It is very difficult to separate the cost of collection of customs from excise because the same officers are performing the two duties; that was the object of the fusion. The total cost of collection of customs and excise for 1923-1924 was 2.49 per cent. I understand that my hon. friend wants us to keep the income tax separate.

Sir HENRY DRAYTON: The cost of collection, that is all.

Mr. BUREAU: That is a matter I suppose that will be discussed when we come to reorganize.

Mr. STEVENS: There is apparently an error here. The resolution on page 8 reads exactly the same as last year, but the details on pages 73 and 74 show an increase of about $12,000. It is either a misprint, or one or the other is wrong.

Mr. BUREAU: The amount is exactly the same as last year, but on account of men having been let out at their maximum salary and new men coming in at a lower salary, a saving has been effected of $11,425.

Mr. MEIGHEN: Are there any cases here of the same man getting two remunerations, perhaps under a different name? That is the usual way it is done.

Mr. BUREAU: No.

Sir HENRY DRAYTON: I do not know if this is the time the minister would like to do this or not, but in connection with all the civil government votes, while on the one hand we know what it costs to run the different departments, that information is really not correct unless we know the amount of superannuation that is also being paid on account of retirements under the act of last year. In other words, it would be quite easy for example to retire twenty or thirty or forty employees, at a great cost to the state, while making an apparent saving in the cost of running the department, through taking on others at lower salaries. We are really not in a position to know how we stand unless we know what the retirements are and the charges on the superannuation fund.

11 p.m.

Mr. BUREAU: Of course, the amounts paid for superannuation and retiring allowances do not come under our department, but under the Department of Finance. Those pensions are paid by virtue of the statute.

Sir HENRY DRAYTON: I fully agree.

Mr. BUREAU: The department recommends the retirements, but no books are kept for that purpose.

Sir HENRY DRAYTON: My hon. friend does not quite get my point. I am not saying for one minute that it is a charge against his department, but these retirements are a charge

against the taxpayer; the taxpayer has to pay the cost. Superannuation is granted on the recommendation of the accredited minister of the department from which the employee is retired, and every department had, and I think to-day has a list of every retirement that it recommends. I do not think there is any doubt about that. I do not want to bother my hon. friend about that now, but I think we ought to have that information in connection with all of these votes. I think the members of the government without any trouble will agree that that information could be given.

Mr. BUREAU: I understand my hon. friend wants a list of all these superannuated or retired under the Calder Act during the fiscal year.

Sir HENRY DRAYTON: With the amount of salary in each case.

Mr. BUREAU: I will bring that down.

Mr. STEVENS: I have already been trying to get that very information, but I was told by the Civil Service Commission, I think, that some of the departments had not turned in a report to them. I think the government ought to give a complete list to the House of all these retirements and superannuations from all departments during the year, and it would be far better if the whole list were tabled at one time than to worry each minister for a statement.

Mr. GRAHAM: There should not be any trouble getting the information from the Civil Service Commission. The commission recommends all these retirements, and they must have a list of every one of them themselves.

Mr. STEVENS: They have not.

Mr. GRAHAM: That is peculiar, because the minister recommends a superannuation, and it then goes to the commission, from them to the Treasury board, and from them to council. It is no trouble to get the list, but I am surprised the commission would not have it.

Mr. MEIGHEN: I notice the addition of another solicitor. I know a demand was made not very long ago to get rid of all these law branches in the different departments, and have all their legal work attended to by the Justice department. Apparently the minister is proceeding in the opposite direction. He is adding to the legal staff. It would look to me a retrograde step.

Mr. BUREAU: I do not share my hon. friend's opinion. Here is a department which stands by itself, so far as legal work is concerned. We have all sorts of legal cases cropping up in connection with the seizure of stills, automobiles and smuggled goods. We have more legal work to do than any department outside of the Justice department, and these legal details have to be dealt with in the department before the case is handed over to the Justice department. We have always had one departmental solicitor and one junior departmental solicitor. Until the work began to be as heavy as it is now, we thought we could do without further assistance, but on account of the increase in the work we found it was a great handicap.

Mr. MEIGHEN: I am afraid the hon. minister does not make many seizures. The door is wide open apparently.

Mr. BUREAU: The hon. gentleman's understanding is not absolutely correct. There is smuggling going on. I do not believe that any human being could stop it. You can decrease it and do the best you can. We have made lots of seizures—more than ever before.

Mr. MEIGHEN: Of liquor?

Mr. BUREAU: Liquor and cigarettes—seizures of smuggled goods and of illicit distilleries and all these things which are carried on in violation of the Inland Revenue Act. Wherever we have been able to find these things we have made a seizure.

Mr. CALDWELL: Just in line with the suggestion made by the hon. member for West York (Sir Henry Drayton) as to a list of those superannuated from this department during the year, I would like also if the minister would supply us with a list of those, if there are any, who have been superannuated and re-employed after being superannuated. I see in the last Auditor General's report a statement made that persons employed in some of the departments have been re-employed after they have been superannuated. I do not think it is a sound practice, if it is being done. The Auditor General's report would indicate it has been done in some cases. I would like to know if it has been done in this department, and I will inquire as to other departments when they come up.

Mr. BUREAU: I have been informed that there have been no cases of this kind in the Department of Customs and Excise.

Item agreed to.

MARINE AND FISHERIES

Marine and Fisheries—salaries, $484,720.

Mr. MEIGHEN: This proceeding is not justified. The idea of the rule which provides

that the estimates of any department must be opened first on a Monday, Tuesday or Wednesday is to give any member of the House an opportunity of moving a general amendment in criticism of the item, or in reference in some way to that department. Now if the practice which was adopted the other night is to be followed again, of a minister coming in and putting through one item, retiring from the scene, and another minister coming on and putting through another item, of course there is no opportunity for amendment or criticism and the purpose of the rule is gone. What I mean is this; on a Monday, Wednesday or Friday the committee should rise before any minister goes on with his estimates, so that this opportunity of amendment can be given. In a word, if a minister enters upon his estimates, he ought to proceed with them, and the committee should not go from one department to another, thus depriving members of an opportunity of moving an amendment.

Sir HENRY DRAYTON: I do not think the Prime Minister wants this item called at all. I asked him the idea of going into committee, and unless my ears failed me he told me it was to open the estimates of the Minister of Customs and Excise; because if he did not introduce them to-night he could not go into them later on in the week. Therefore I waived all objections.

Mr. MACKENZIE KING: It is quite true, I mentioned that we wished to open the estimates of the Minister of Customs and Excise to-night. What I would like to draw the attention of the House to is that last night it was stated that we would endeavour to take up some estimates both of the Department of Customs and of the Department of Marine and Fisheries. I agree with what the right hon. leader of the opposition states about going from one department to another, if the work of the session is at all advanced. I think my hon. friend will understand that unless we take up certain departments Monday, Tuesday or Wednesday, it limits us, because we cannot discuss any estimates on Thursday or Friday that have not been opened on previous days. The Postmaster General will not be here on Friday, and unless we take up these estimates to-night, then the estimates of the Minister of Agriculture would be the only estimates that could be taken up later on in the week.

Mr. MEIGHEN: There are three departments in already.

Mr. MACKENZIE KING: The estimates of the Minister of Customs have come up to-night. I think if the hon. leader of the opposition will allow us to call the one item of the estimates of the Department of Marine and Fisheries it would facilitate matters. We will not proceed with it.

Mr. MEIGHEN: If it is only for the purpose of enabling the Minister of Marine and Fisheries to come in on Thursday and Friday, I do not object.

Mr. MACKENZIE KING: That is all.

Mr. MEIGHEN: Then I do not object to it.

The CHAIRMAN: The item before the committee is item 24, Marine and Fisheries, Salaries, $484,720. Shall I report progress?

Progress reported.

On motion of Mr. Mackenzie King the House adjourned at 11.10 p.m.

Wednesday, February 25, 1925

The House met at three o'clock.

COPYRIGHT ACT AMENDMENT

SPECIAL COMMITTEE

Right Hon. W. L. MACKENZIE KING (Prime Minister) moved:

That the special committee appointed on Thursday, February 19, to consider and report upon Bill No. 2, to amend and make operative certain provisions of the Copyright Act, 1921, be composed of the following members: Messieurs. Chevrier, Healy, Hocken, Hoey, Irvine, Ladner, Lewis, McKay, Prevost, Raymond, and Rinfret.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

CANADIAN NATIONAL RAILWAYS—JASPER PARK GOLF COURSE

Mr. SUTHERLAND:

1. With whom was the contract made by the Canadian National Railways for the construction of a golf course at Jasper?
2. What has been the cost to date of this golf course, including liabilities outstanding and unpaid?
3. Is it a fact that considerable of the material provided and work done has been destroyed by wind and other causes, and if so, what is the estimated amount of the loss so sustained?
4. What was the expense of the seed purchased and from what company was it purchased?
5. Is it a fact that the seed has been largely blown away?

Hon. Mr. GRAHAM:

1. No contract made for construction.
2. $124,290.47.
3. No.
4. $4,895.82. Steele Briggs Company, Limited, Winnipeg.
5. No.

MINAKI GOLF COURSE

Mr. SUTHERLAND:

1. With whom was the contract made by the Canadian National Railways for the construction of a golf course at Minaki north of Kenora on the Canadian National Railways?

2. What has been the cost to date of this golf course, including liabilities outstanding and unpaid?

Hon. Mr. GRAHAM:

1. Messrs. Riley & Reid.
2. $94,631.41.

IMMIGRATION

Mr. SUTHERLAND:

1. What number of emigrants have come to Canada during 1923 and 1924 respectively?
2. From what country of origin did they come, and in what provinces were they settled?

[Mr. Sutherland.]

Hon. Mr. ROBB:

1. 1923, Calendar year, 137,320; 1924, Calendar year, 124,450.

2.

Nationality	1923										
	N.S.	N.B.	P.E.I.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Y.T.	Totals
African, South	.....	4	.....	6	28	12	1	2	4	.....	57
Albanian	.....	.....	.....	.....	5	1	.....	.....	.....	.....	6
Armenian	6	.....	.....	87	306	3	1	1	.....	.....	404
Australian	2	1	.....	17	19	19	.....	4	35	.....	97
Austrian	3	.....	.....	1	11	10	28	5	3	.....	61
Belgian	16	8	.....	161	977	119	40	33	14	.....	1,368
Bermudian	3	.....	.....	.....	.....	1	.....	.....	.....	.....	4
Brazilian	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Bulgarian	15	.....	.....	15	117	3	8	4	1	.....	163
Chilian	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Chinese	3	5	.....	64	153	25	96	67	398	.....	811
Cuban	.....	.....	.....	.....	1	.....	.....	.....	.....	.....	1
Czecho-Slovak	13	45	1	547	577	558	104	68	21	.....	1,934
Dutch	1	1	.....	92	353	104	55	169	23	.....	798
East Indian	.....	.....	.....	.....	1	.....	.....	.....	29	.....	30
Egyptian	.....	.....	.....	1	1	.....	.....	.....	1	.....	3
Esthonian	.....	1	.....	7	14	1	2	2	6	.....	33
Finnish	6	4	.....	586	4,797	41	51	80	454	.....	6,019
French	18	3	1	125	93	26	27	14	17	.....	324
German	15	.....	3	55	250	129	535	244	27	.....	1,258
Great Britain and Ireland—											
English	700	258	29	3,635	19,165	6,266	1,613	1,572	2,545	.....	35,783
Irish	54	33	3	1,299	4,269	1,763	310	243	256	1	8,231
Scotch	247	145	4	3,339	13,485	4,395	798	1,304	1,389	1	25,107
Welsh	34	8	1	98	434	208	63	94	46	3	989
Greek	8	1	.....	37	173	29	16	24	6	.....	294
Hebrew—											
Hebrew, N.E.S.	2	10	.....	313	203	263	15	13	20	.....	839
" Austrian	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
" German	.....	.....	.....	.....	.....	.....	1	1	1	.....	3
" Polish	5	2	2	347	693	73	29	35	21	.....	1,207
" Russian	1	5	.....	678	332	248	98	58	6	.....	1,426
Hungarian	.....	15	.....	1	15	9	113	9	.....	.....	162
Italian	294	8	2	834	3,507	291	147	517	462	.....	6,062
Jamaican	.....	.....	.....	4	19	.....	.....	1	.....	.....	24
Japanese	.....	.....	.....	1	3	.....	1	18	381	.....	404
Jugo-Slav	12	11	.....	64	335	110	124	24	34	.....	714
Latvian	.....	.....	.....	2	.....	1	2	5	2	.....	12
Lettish	.....	.....	.....	.....	.....	1	2	1	2	.....	6

Lithuanian	6	.....	.....	63	20	87	15	10	3	.....	204
Luxemburg	.....	.....	.....	8	6	3	25	2	1	.....	45
Maltese	.....	3	.....	20	115	9	1	.....	3	.....	151
Mexican	.....	.....	.....	1	.....	.....	.....	.....	.....	.....	1
Negro	3	.....	.....	17	20	.....	.....	.....	.....	.....	40
Newfoundland	3,545	343	1	365	815	16	7	28	20	.....	5,140
New Zealand	.....	.....	.....	1	3	8	5	4	10	.....	31
Persian	.....	.....	.....	1	4	.....	.....	.....	.....	.....	5
Polish	41	64	.....	452	1,442	1,023	630	465	40	.....	4,157
Portuguese	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Roumanian	19	8	.....	153	275	160	247	97	6	.....	965
Russian	4	4	.....	284	63	93	2,342	46	16	.....	2,852
Scandinavian—											
Danish	16	72	.....	207	204	179	100	225	22	.....	1,025
Icelandic	.....	.....	.....	.....	1	22	3	.....	.....	.....	26
Norwegian	6	10	.....	273	198	274	354	188	365	2	1,670
Swedish	12	11	.....	391	825	646	351	242	817	.....	3,295
Spanish	.....	.....	.....	14	21	2	.....	2	.....	.....	39
Swiss	17	1	.....	414	143	747	99	79	27	.....	1,527
Syrian	21	9	.....	88	89	4	17	7	.....	.....	235
Turkish	.....	.....	.....	5	5	.....	.....	.....	.....	.....	10
Ukrainian	.....	.....	.....	21	118	125	502	46	4	.....	816
U.S.A. Citizens, via ocean ports	1	2	.....	23	40	6	5	7	17	.....	101
Venezuelan	1	3	.....	2	.....	.....	.....	.....	.....	.....	6
West Indian	5	3	.....	10	19	1	.....	.....	.....	.....	38
Immigration, via ocean ports	5,155	1,101	47	15,229	54,762	18,114	8,983	6,060	7,555	7	117,013
" from U.S.A	314	483	66	3,014	6,231	1,328	3,164	3,774	1,895	38	20,307
Total immigration	5,469	1,584	113	18,243	60,993	19,442	12,147	9,834	9,450	45	137,320

Nationality	1924										
	N.S.	N.B.	P.E.I.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Y.T.	Totals
African, South	1			26	42	6	3	4	15		97
Albanian					1	1					2
Armenian	4	3		52	273	4	1		1		338
Australian	5	5		15	38	7	6	15	80		171
Austrian	5			1	17	25	22	21	6		97
Belgian	18	17		227	1,036	97	55	45	9		1,504
Bermudian											
Brazilian					1						1
Bulgarian	2			4	45	49	36	31	3		170
Chilian							3				3
Chinese					1	1		1	4		7
Cuban											
Czecho-Slovak	3	2		72	624	1,922	134	99	16		2,872
Dutch	26	3	1	171	850	357	120	252	41		1,821
East Indian				2					47		49
Egyptian				1	1		1				3
Esthonian				4	8	1	3	21	28		65
Finnish	61	44		955	4,313	56	50	104	540		6,123
French	5	3		187	73	14	24	28	17		351
German	10	1		60	718	276	956	501	38		2,560
Great Britain and Ireland—											
English	429	356	11	3,558	15,766	1,824	1,846	1,958	2,525	3	28,276
Irish	218	206	5	2,732	5,594	618	491	528	368		10,760
Scotch	175	200	7	2,597	9,706	1,097	782	1,445	1,295	1	17,305
Welsh	14	13		146	644	86	66	176	126		1,271
Greek	3	4		52	110	9	7	19	11		215
Hebrew—											
Hebrew, N.E.S.	17	1		399	309	97	29	14	25		891
" Austrian				1		2					3
" German					1		1				2
" Polish	10	5		194	535	49	15	16	4		828
" Russian	22	28		1,697	926	472	231	190	138		3,704
Hungarian	27	2		2	180	488	327	72	9		1,107
Italian	51	53		490	1,518	243	26	127	168		2,676
Jamaican				4	4		1				9
Japanese					3	1	2	18	486		510
Jugo-Slav	5	5		20	426	1,291	317	49	70		2,183
Latvian				3	2	6	6	1			18
Lettish				1		1					2
Lithuanian	7			64	16	33	12	19	4		155
Luxemburg				38	4	2	20	3	3		70
Maltese				1	28						29
Mexican											
Negro	10	1		10	13						34
Newfoundland	1,121	53	2	209	204	2	10	6	22		1,629

New Zealand	2	1	.....	5	8	3	1	13	88	.....	121
Persian	.....	.....	.....	.....	3	.....	7	.....	.....	.....	10
Polish	41	23	.....	147	777	797	569	503	51	.....	2,908
Portuguese	.....	.....	.....	2	1	.....	.....	.....	.....	.....	3
Roumanian	55	1	.....	162	336	912	708	282	15	.....	2,471
Russian	.....	3	.....	57	155	204	4,639	448	39	.....	5,545
Scandinavian—											
Danish	104	56	.....	376	495	554	189	236	56	.....	2,066
Icelandic	1	1	.....	.....	2	32	3	.....	9	.....	48
Norwegian	91	16	.....	392	356	661	557	337	806	.....	3,216
Swedish	39	15	.....	384	641	375	228	278	589	1	2,550
Spanish	.....	.....	.....	3	.....	.....	.....	.....	.....	.....	3
Swiss	7	5	.....	372	118	66	80	57	53	.....	758
Syrian	24	11	.....	86	90	6	27	4	5	.....	253
Turkish	1	.....	.....	5	37	.....	.....	.....	.....	.....	43
Ukrainian	1	.....	.....	.....	10	12	13	12	1	.....	49
U.S.A. Citizens, via ocean ports	9	6	.....	22	38	14	10	13	15	.....	127
Venezuelan	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
West Indian	8	2	.....	10	18	.....	.....	.....	2	.....	40
Immigration, via ocean ports	2,632	1,145	26	16,018	47,115	12,773	12,634	7,946	7,828	5	108,122
" from U.S.A	100	241	16	2,132	5,046	904	2,324	3,527	2,010	28	16,328
Total Immigration	2,732	1,386	42	18,150	52,161	13,677	14,958	11,473	9,838	33	124,450

ORIENTAL IMMIGRATION

Mr. NEILL:

1. How many Chinese have entered Canada during the calendar year 1924?
2. Of those entering, how many came as: (a) members of the diplomatic service and their servants; (b) Canadian or naturalized Chinamen returning to Canada from a visit abroad; (c) merchants; (d) students; (e) under section 9, chapter 38, of the Chinese Immigration Act, 1923?
3. How many Japanese landed in Canada according to Canadian government returns during the calendar year 1924?
4. From what ports did they leave?
5. At what ports did they land?
6. How were they classified as to: (a) occupation; (b) sex?

Hon. Mr. ROBB:

1. No Chinese immigrants landed; 74 Chinese entered under permit (Section 9, Chinese Immigration Act, 1923) as per particulars given in answer to question 2 (e); 4,572 Chinese who are residents of Canada returning after visiting abroad and who had registered outward as required by section 23, of the Chinese Immigration Act, 1923, being readmitted under the authority of section 24 of the said act.

2.

(a) Members of diplomatic service, 2.
Servants of diplomatic service, 2.

(b) Answered by No. 1.

(c) None.

(d) None.

(e)

	New Arrivals	Prior Residents	Left Canada
Actors	33	..	7
Amahs	5	..	3
Clerks	1	1	1
Clergyman	3	1	1
Clergymen's wives	1	..	..
Clergymen's daughters	1	..	..
Housewives	2	..	..
Infants	2	..	..
Labourers	..	1	..
Merchants	3	2	2
Merchants' wives	1	1	1
Restaurateur	..	1	..
Senior Professor, Canton Christian College	1	..	1
Secretary to Senior Professor, Canton Christian College	1	..	1
Servants of Consular Officials	2	..	..
Students	4	2	3
Teachers	2	..	..
Tourists	1	..	..
U.S. Immigration Interpreter	1	..	1
Chinese passenger agent of Admiral Line at Seattle	1	..	1
	65	9	22

Of the above, the actors, amahs and teachers, besides being admitted to Canada only temporarily, are also under bond.

3. 510 Japanese immigrants landed in Canada during the calendar year, 1924.

4. Kobe and Yokohama.

5. Victoria and Vancouver.

6. (a)

Agricultural class, males 67, families 48 persons.

Labouring class, males 10, families 155 persons.

Mechanic class, males 2, families 14 persons.

Trading class, males 5, families 12 persons.

Mining class, males 0, families 2 persons.

Domestics, males 42, females 6.

Not classified, males 20, families 127 persons.

(b)

Adult males, 146.

Adult females, 262.

Children under 18 years, 102.

LABOUR DEPARTMENT—CAPE BRETON REPRESENTATIVE

Mr. WOODSWORTH:

1. Who is the representative of the Labour Department in Cape Breton?
2. Is he in the employ of the British Empire Steel Corporation. or of any of its subsiduaries?

Hon. Mr. MURDOCK:

1. The department has no representative in Cape Breton other than the correspondent to the Labour Gazette?

2. No information.

COMBINES INVESTIGATION ACT

Mr. CHURCH:

1. How many prosecutions have been held under the Combines Investigation Act from the passing of this act to date?
2. What are the names of the trusts and combines proceeded against, and the action which resulted?

Hon. Mr. MURDOCK:

1. No prosecutions have under the Combines Investigation Act 1923 taken place. It is, however, understood that one action has been taken by the Attorney General of British Columbia on information resulting from inquiry under this act.

2. Investigation requested and inquiry instituted into alleged combine (a) Fruit Distribution; (b) Coal Dealers; (c) Marketing of Potato Crop.

Interim report on alleged Fruit Combine was laid on table of the House February 23. Further action not determined.

Report on alleged coal dealers' combine will, it is expected, be laid on the table of the House within a few days.

Inquiry into alleged combine in potato crop marketing not yet completed.

Hon. Mr. STEVENS:

1. How many applications have been made to date under the Combines Investigation Act?
2. If any, by whom and when commenced?
3. Has a registrar been appointed? If so, who, and what is his salary?
4. Has the Department of Labour or any minister or officer of the crown made any request for investigation into any alleged combine during years 1922, 1923, 1924 and 1925? If so, what?
5. If any investigation has been held, what is the finding and what action has been taken in each case?
6. What is the total cost or expenditure to date under the Combines Investigation Act from date of its passage to date?

Hon. Mr. MURDOCK:

1. Applications made in accordance with section 5 of act, three.

2. The three applications referred to in answer to No. 1 were made in accordance with the statute in each case by six persons. British subjects, resident in Canada, of the full age of twenty-one years. It is not in the public interest to publish the names of the applicants. For date commenced, see under No. 5.

3. Yes, Harry Hereford, who was appointed to the department by the Civil Service Commission in 1918 and who is classified as an industrial engineer, was on August 25, 1923, appointed under section 4 of the act to be registrar. From the date of his appointment to March 31, 1924, he received the salary attached to his classified position at the rate of $3,480 per annum; for the year ending March 31, 1925, he is being paid, in addition to the salary attached to his classified position, at the rate of $1,000 per annum, as provided in the estimates.

4. Not understood.

5. (a) Alleged combine in the distribution of fruit and vegetables in western Canada. Formal application was received June 13, 1924. The commissioner made an interim report on February 18, 1925, which was laid on the table of the House February 23, 1925.

(b) Alleged combine among the coal dealers at Winnipeg and other places. Formal application was received October 18, 1924, and commissioner appointed to investigate October 23, 1924. The commissioner has just rendered his report but the exhibits and transcript of evidence have not yet been received.

(c) Alleged combine in connection with the marketing of the New Brunswick potato crop. Formal application received December 4, 1924, and investigation commenced December 14, 1924, and still proceeding; no report has yet been made.

In each of the above cases representations had been made prior to the formal application for investigation, and as a result the registrar had, in accordance with the act, instituted preliminary enquiries. These preliminary enquiries were commenced by the registrar as follows:—(a) February 22, 1924; (b) October 8, 1924; (c) November 14, 1924.

(d) Other investigations of a preliminary nature have been made as a result of informal complaints, but (a), (b) and (c) listed above are all the investigations that have been, or are being held as a result of applications made in accordance with section 5 of the act.

6. $20,987.03.

DEPUTY MINISTERS

Mr. DOUCET:

How many deputy ministers are there at present and what are their names and salaries?

Hon. Mr. COPP:

Department of Agriculture, Dr. Grisdale, $7,500 and house; Department of Customs and Excise, R. R. Farrow, $8,000; Department of Finance, J. C. Saunders, $10,000; Department of the Interior, W. W. Cory, $8,000; Department of Justice, W. Stuart Edwards, $10,000; Department of Labour, H. H. Ward, $6,000; Department of Marine and Fisheries, A. Johnson, $8,000; Department of National Defence, G. J. Desbarats, $8,000; Department of Mines, Charles Camsell, $6,000; Department of Post Office, L. J. Gaboury, $8,000; Department of Privy Council, E. J. Lemaire, $6,000; Department of Public Works, J. B. Hunter, $8,000; Department of Railways and Canals, Graham A. Bell, $10,000; Department Secretary of State, Thomas Mulvey, $8,000; Department of Trade and Commerce, F. C. T. O'Hara, $8,000; Department of Immigration and Colonization, W. J. Egan, $8,000; Department of Soldiers' Civil Re-establishment, N. F. Parkinson, $6,000; Department of Health, Dr. J. A. Amyot, $6,000; Department of External Affairs, Sir Joseph Pope, $8,000; Department of Public Printing and Stationery, F. A. Acland, $8,000; Department of Insurance, G. D. Finlayson, $10,000; Department of Indian Affairs, Duncan C. Scott, $8,000.

KENOGAMI POST OFFICE

Mr. SAVARD:

What was the revenue of the post office at Kenogami, Quebec, during each of the years 1922, 1923 and 1924?

Hon. Mr. MURPHY:

Year ended 31st March, 1922.. ..	$4,730 64
Year ended 31st March, 1923.. ..	5,537 32
Year ended 31st March, 1924.. ..	6,715 02

DAIRY INDUSTRY ACT CONVICTIONS

Mr. SUTHERLAND:

1. How many convictions have been secured for infractions, under the Dairy Industry Act of 1914, in each of the years 1923 and 1924?

2. What are the names, occupations and place of business of the individuals or firms against whom convictions have been registered?

3. What was the amount of the fine or fines imposed in each case?

4. What was the nature of the offence committed in each instance, and the nature of material used in adulteration and the percentage used?

Hon. Mr. MOTHERWELL:

1. Calendar year 1923, 47; calendar year 1924, 89.

2, 3 and 4.

CALENDAR YEAR 1923

Defendant's Name	Occupation	Place of Business	Fine Imposed	Nature of Offence	Per cent water in excess of 16 or per cent foreign fat
			$		
Adelard Leclerc	Merchant	Chicoutimi, Que	10	Short weight prints	
Gedeon Gauthier	"	"	10	" "	
Halton Cream and Butter Co	Butter manufacturer	Milton, Ont	10	Excess water	1·6
Honore Tessier	" "	Ste. Andre de Kamouraska	10	"	6·29
Curlew Creamery Co	" "	Nelson, B.C	10	"	1·03
V. E. Daigle	" "	Granby, Que	10	"	2·07
Elmwood Provision Co	Merchant	Montreal, Que	10	Short weight prints	
E. E. Wallace, Ltd	Cutter and merchant	"	20	" "	
Mathias Gosselin	Butter manufacturer	St. Laurent, Que	10	" "	
John O'Neill	Merchant	Toronto, Ont	50	Offering for sale oleomargarine not in original package.	
B. Simard	"	Baie St. Paul, Que	10	Short weight prints	
Alliston Creamery Co	Butter manufacturer	Alliston, Ont	10	Excess water	1·0
Jos. Cliche	" "	Ste. Marie, Beauce, Que	10	"	0·9
E. A. Therrien	" "	St. Justine de Newton, Que	10	"	1·9
Hazelbrook Dairying Co	" "	Hazelbrook, P.E.I	10	"	2·52
Jos. Bertrand	" "	Baldwin's Mill, Que	10	"	1·1
Auguste Gerin	" "	Coaticook, Que	10	"	1·1
Messier Freres	" "	Montreal, Que	Costs only	Short weight prints	
Farnham Creamery	" "	Farnham, Que	10	Excess water	2·42
D. Deshaies	" "	St. Sophie, Que	10	"	2·5
A. Fournier	" "	Gentilly, Que	10	"	3·76
J. E. Jacob	" "	St. Tite, Que	10	Short weight prints	
J. P. Hebert	" "	St. Leonard d'Ashton, Que	10	Excess water	1·6
P. Leclerc	" "	St. Cesaire, Que	10	"	3·76
Kincardine Creamery	" "	Kincardine, Ont	10	"	1·5
Wellington Creamery	" "	Tottenham, Ont	20	Short weight prints	
T. Cyr	" "	St. Elzear, Que	10	Excess water	3·38
P. Dumas	" "	Notre Dame de Bois, Que	10	"	8·20
Jos. Berthiaume	" "	Huntingdon, Que	10	"	1·3
Alliston Creamery Co	" "	Alliston, Ont	10	"	1·4
Jos. Beaudoin	" "	Cabane Ronde, Que	10	Short weight prints	
Stanislas Simard	" "	St. Francois, Que	10	Excess water	1·04
J. A. Brochu	" "	St. Magloire, Que	10	"	1·28
L. Blanchette	" "	Chartierville, Que	10	"	1·9
Cleophas Drouin	" "	St. Honore de Shenley, Que	10	"	1·9
Hood & Sons	" "	Ayer's Cliff, Que	10	"	3·44
J. Muirhead	Cheese "	Lyndhurst, Ont	20	Inferior curd in centre of cheese	
E. Pomerleay	Butter "	Touffee de Pins, Que	10	Excess water	1·3

CALENDAR YEAR 1923

Defendant's Name	Occupation	Place of Business	Fine Imposed	Nature of Offence	Per cent water in excess of 16 or per cent. foreign fat
			$		
J. E. Gibson	Butter manufacturer	Vancouver, B.C.	10	Excess water	5·3
Stouffville Creamery	" "	Stouffville, Ont.	10	"	1·3
Renfrew Creamery	" "	Renfrew, Ont.	10	"	1·1
Georgetown Creamery	" "	Georgetown, Ont.	50	Short weight prints	
Hillside Creamery	" "	Markdale, Ont.	15	" "	
L. P. Bouchard	" "	St. Basile le Grand, Que.	10	" "	
Toronto Creamery Co.	" "	Toronto, Ont.	10	Excess water	2·3
Walkerton Egg and Dairy Co.	" "	Walkerton, Ont.	10	"	1·0
J. Raymond	" "	Ste. Marie Salome, Que.	10	"	3·40
Markdale Creamery Co.	" "	Markdale, Ont.	10	Short weight prints	

CALENDAR YEAR, 1924

Cardston Creamery Association	Butter manufacturer	Cardston, Alta.	15	Excess water	1·2
Wm. Landreville	" "	St. Jean de Matha, Que.	10	"	3·16
Wilfrid Roy	" "	" "	10	"	1·4
Dunham Creamery	" "	Dunham, Que.	10	"	6·4
H. Jutras	" "	St. Wenceslas, Que.	10	"	2·2
J. B. Jackson Co., Ltd	" "	Simcoe, Ont.	10	Short weight prints	
Kincardine Creamery	" "	Kincardine, Ont.	25	Excess water	1·7
Philie & Turgeon	" "	Valleyfield, Que.	10	"	2·9
Mayfair Creamery Co., Ltd	" "	Calgary, Alta.	10	"	0·98
Jos. Longpre	" "	St. Esprit, Que.	10	"	2·98
Georges A. Crepeau	" "	Mascouche, Que.	10	Short weight prints	
Willow Grove Creamery	" "	Mitchell, Ont.	10	Excess water	1·2
A. Jean	" "	Riviere Noire, Que.	10	"	5·2
Z. Bergeron	" "	Mandeville, Que.	10	"	2·0
Camille Chaput	" "	Petit Bois d'Auray, Lanoraie	20	"	1·5
Urcher Brault	" "	St. Jean de Matha, Que.	10	"	1·42
Normandin Freres	Merchant	Montreal, Que.	10	"	9·1
Geo. H. Leveille	Butter manufacturer	Ste. Anne des Plaines, Que.	25	Short weight prints	
A. Richard	" "	Pont Rouge, Que.	10	" "	
S. Archambault	" "	Montreal, Que.	200	Foreign fat	35 to 40
A. Dupras	" "	"	200	"	20 to 25
S. Archambault	" "	"	300	"	30 to 04
M. Schnarch	Merchant	"	200	Selling butter adulterated with foreign fat.	30 to 40
Doria Theroux	Butter manufacturer	Ste. Aime, Que.	10	Excess water	4·56
P. St. Cyr	" "	Champlain, Que.	10	Short weight prints	
A. Poupart & Co., I td	" "	Montreal, Que.	200	Foreign fat	15 to 20

Rahall Bros.	Merchants	Frog Lake, Alta	200	Renovating butter	
Nathan Schin	Merchant	Montreal, Que	200	Selling butter adulterated by foreign fat.	30 to 40
M. Schnarch	"	"	200	" " "	40 to 50
Jos. Beaudouin	Butter manufacturer	Cabane Ronde, Que	200	" " "	15 to 20
Jos. Beaudouin	"	"	200	" " "	15 to 20
Jos. Beaudouin	"	"	200	" " "	15 to 20
A. Poupart Co. Ltd	"	Montreal, Que	200	" " "	20 to 25
Romeo Vincent	Merchant	"	200	" " "	20 to 25
A. Poupart Co. Ltd	Butter manufacturer	"	200	" " "	70 to 80
H. Gervais	Merchant	"	200	" " "	20 to 30
Hagersville Creamery	Butter manufacturer	Hagersville, Ont	10	Short Weight Prints	
Sanitary Dairy Ltd	"	St. Catharines, Ont	10	" "	
Graham Creamery Co. Ltd	"	Alexandria, Ont	10	Excess water	1·10
Rahall Bros	Merchant	Frog Lake, Alta	10	Having renovated butter in possession for sale.	
A. Blais	Butter manufacturer	Thetford Mines, Que	10	Excess water	2·64
J. Longpre	"	St. Esprit	25	"	2·93
J. Raymond	"	Ste. Marie Salome, Que	25	"	2·08
A. Caumartin	"	St. Cuthbert, Que	10	"	5·07
S. Brault	"	St. Alexis, Que	10	"	2·36
A. Plante	"	Sault St. Lin, Que	10	"	3·04
W. Boulanger	"	L'Avenir, Que	10	"	1·55
P. Joly	"	Ste. Elizabeth, Que	10	"	7·68
Mount Royal Creamery Co	"	Montreal, Que	10	"	1·22
Tara Creamery	"	Hagersville, Ont	10	"	1·2
Lambton Creamery	"	Petrolia, Ont	20	Short weight prints.	
Lambton Creamery	"	"	20	Excess water	1·1
R. Turbide	Cheese manufacturer	Lac au Saumon, Que	10	Inferior curd in centre of cheese.	
W. Beaudoin	Butter manufacturer	St. Didace, Que	10	Excess water	1·5
Shawville Creamery	"	Shawville, Que	10	"	2·14
Stratford Dairy Co. Ltd	"	Stratford, Ont	10	"	7·7
S. Caulfield & Sons	Merchants and butter manufacturers.	Toronto, Ont	10	"	1·1
Nault & Dery	Butter manufacturer	Riviere Desert, Que	20	"	2·0
E. Roberge	"	St. Come Liniere, Que	10	"	1·4
W. Talbot	"	St. Georges West, Que	10	"	1·6
T. Lessier	"	Valcourt, Que	10	"	1·14
A. Lapalme	"	St. Hugues, Que	10	"	1·0
H. Lapalme	"	St. Paul Abbotsford, Que	10	"	1·98
Arundel Butter & Cheese Co	"	Arundel, Que	10	"	1·2
A. Frappier	"	Sorel, Que	200	Selling butter adulterated with foreign fat.	10 to 15
A. Frappier	"	"	Suspended sentence.	" " "	10 to 15
A. Frappier	"	"	"	" " "	10 to 15
A. Frappier	"	"	"	" " "	10 to 15
A. Frappier	"	"	"	" " "	25 to 30
A. Frappier	"	"	"	" " "	25 to 30
A. Dupras	"	Montreal, Que	200	" " "	25 to 30

CALENDAR YEAR 1924—*Con.*

Defendant's Name	Occupation	Place of Business	Fine Imposed	Nature of Offence	Per cent water in excess of 16 or per cent foreign fat
			$		
A. Gemme	Butter manufacturer	St. Alphonse de Granby, Que	25	Excess water	1·62
Dunham Creamery	"	Dunham, Que	20	"	6·17
A. Beauvais	"	St. Bruno de Guigues, Que	20	"	2·9
A. Poupart & Co	"	Montreal, Que	200	Selling butter adulterated with foreign fat.	25 to 30
A. Poupart & Co	"	"	200	" " "	10
J. H. Leblanc	"	Batiscan, Que	10	Excess water	1·12
Jean Goyette	"	St. Thecle, Que	10	"	3·56
Jos. Cote	"	Becancourt, Que	10	"	1·2
R. Ferron	"	Ste. Gertrude, Que	10	"	1·5
A. Dupras	"	Montreal, Que	10	"	1·96
Chas. Fortin	"	St. Victor de Tring, Que	20	"	3·2
L. Desrosiers	"	St. Damien, Que	10	"	1·18
A. Dubeau	"	"	10	"	1·18
A. Trudel	"	St. Viateur, Que	10	"	1·48
O. Richard	"	St. Norbert, Que	10	"	5·4
L. Gevry	"	St. Cecile de Milton, Que	15	"	2·06
E. Frappier	"	St. Bonaventure de Upton, Que	10	"	1·3

ODONAK CONVENT—FUEL SUPPLIES

Mr. DOUCET:

1. How many tons of coal were supplied to the Odonak convent, in the Abenakis village, county of Yamaska, Quebec, during the years 1921-22, 1922-23, 1923-24 and 1924-25?
2. Who were the contractors for each of the above mentioned years and what price was paid per ton?
3. How many cords of wood were supplied to said convent for the above mentioned years?
4. Who were the contractors for each of the above years and what price was paid per cord?

Hon. Mr. MURPHY (for the Minister of the Interior):

1. 1921-22, 30 coal tons; 1922-23 28¼ coal tons; 1923-24, 38 coal tons; 1924-25, 38 coal tons.
2. 1921-22, Shooner & Co., $14.80 per ton; 1922-23, D. & A. Laperriere, $15.25 per ton (chestnut), $15.00 (egg); 1923-24, D. & A. Laperriere, $16.00 per ton; 1924-25, D. & A. Laperriere, $14.50 per ton.
3. 1921-22, 28 wood cords; 1922-23, 27½ wood cords; 1923-24, 28 wood cords; 1924-25, accounts not yet received.
4. 1921-22, Henri Niquet, hardwood $7 per cord, Shooner & Co., slabs $3 per cord; 1922-23, D. &. A. Laperriere, hardwood $7 per cord, Shooner & Co., slabs $2.50 per cord; 1923-24, D. & A. Laperriere, hardwood $7 per cord, Paul Comtois, hardwood $7 per cord, Shooner & Co., slabs $4 per cord; 1924-25, to date, accounts not received.

QUESTIONS PASSED AS ORDERS FOR RETURNS

MAIL SERVICE ADVERTISEMENTS

Mr. STEWART (Humboldt):

1. Are district superintendents, employed by the Post Office Department, furnished with lists of publications authorized to carry mail service advertisements?
2. If so, who compiles these lists, and on what basis are they formed?
3. If such lists exist, what publications are so authorized for use in the province of Saskatchewan?

NEWSPAPER POSTAL REVENUE

Mr. CHURCH:

1. What was the gross postal revenue derived from newspapers for the last two years of record?
2. What is the estimated expenditure for the same year, as far as can be arrived at, in so far as newspapers are concerned, and what bulk of the mail do newspapers make up?
3. What is the average daily weight of newspapers carried in the mails and the estimated deficit to the country in delivery of newspapers in the mails?

PRIVATE MEMBERS' DAYS

On the motion of Mr. Shaw:

That, in the opinion of this House, one full day a week for the whole session should be set aside for private members, on which day notices of motion shall have precedence over other business.

Mr. JOS. T. SHAW (West Calgary): In view of the fact that the House proposes to appoint a committee for the purpose of revising the rules, I am prepared to drop this resolution in the expectation that the matter referred to therein will be considered by the committee.

Mr. W. C. GOOD (Brant): May I, in view of what the hon. member for West Calgary has said, move an amendment in accordance with the suggestion which he has just made? I think it would embody his views and he is not permitted to move an amendment.

Mr. SPEAKER: I will read the motion if the hon. member will move his amendment.

Moved by Mr. Shaw:

That, in the opinion of this House, one full day a week for the whole session should be set aside for private members, on which day notices of motion shall have precedence over other business.

In my judgment, the motion ignores rule No. 25, which provides that there shall be two days a week, Mondays and Wednesdays, for private members. But, if I correctly interpret the words used, the hon. gentleman has in mind that the government shall be asked not to take away this privilege, but to have at least one day a week during the whole session allowed for private members' business. Is that the meaning?

Mr. SHAW: That is the intention. I agree with your Honour that the resolution is not very well worded.

Mr. GOOD: I move in amendment:

That all the words after "House" in the second line be struck out and the following substituted therefor:

The question of providing more adequate opportunities for private members be referred to the special committee which by resolution of this House, is to consider the question of revising the rules.

I should like, if I may, to say a few words in connection with this amendment.

Some hon. MEMBERS: Oh, oh.

Mr. GOOD: If it is the desire of the House that whatever I have to say should be stated to the committee, I am willing to wait.

Some hon. MEMBERS: Carried.

Mr. SPEAKER: Carried by unanimous consent.

Amendment agreed to.

Motion as amended agreed to.

SCRUTINY OF ESTIMATES

MOTION BY MR. COOTE FOR REFERENCE TO SELECT COMMITTEES

Mr. G. G. COOTE (Macleod) moved:

That, in the opinion of this House, the estimates should be referred to select committees before being submitted to the committee of the Whole.

He said: In presenting this motion I may remark that I was prompted chiefly by two reasons. In the first place, I had in view a possible economy of the time of the House, and secondly, I hoped that we might effect some economy in expenditures. About a year ago there were published in the Ottawa Citizen several letters from a former member of this House, Mr. Davis of Neepawa, Manitoba, advocating a committee of parliament on estimates. I will not take the time of the House quoting extensively from these articles, but in the second one, dealing with the cost of public services, he refers to what has been done in Great Britain. He says:

In Great Britain reform is also proposed. It takes a different line, and as our practice is founded on theirs, it is germane to our conditions. There it arises out of the recommendation made by the select committee on national expenditure in 1902. That proposal was for a standing committee on estimates in the House. It was tried out in 1912, 1913 and 1914, and further elaborated and recommended by the select committee of 1917 so ably headed by Mr. Herbert Samuel.

I shall now quote briefly from another article by Mr. Davis on the work of this committee:

After a trial in the imperial house the committee on estimates, as an institution, disclosed one weakness; as it could sit only during a session, it was found that it could not get through the work. In 1912 it settled its procedure and reported on the office of works; in 1913 its work was on the navy estimates only; in 1914 its work was on the war office estimates, and it reported only the evidence taken because the outbreak of war made its findings valueless. The Samuel committee recommended that the estimates committee should be assisted by an officer of the House to be appointed for the purpose, with the title of "Examiner of Estimates."

Further on Mr. Davis says:

Thirdly, the convention that the government must consider every adverse motion carried in committee of supply, as a vote of want of confidence, should yield to common sense. There can be no financial or economical judgment exercised, if every criticism is met by a demand for a political decision. Under this convention the government can always evade financial criticism by calling on its supporters to vote through its proposal. These supporters, although convinced of the soundness of the criticism, will rather accept an extravagance of many thousands of dollars than vote their party out of power. Only when the government's policy is really challenged, should an adverse vote following upon the estimates committee's report, be construed as a vote of want of confidence. In this way alone can an unfettered economical judgment be obtained.

I drafted this resolution last year before I left the House and if I were preparing it to-day I would make the suggested change a little more sweeping than is proposed here. I think possibly the time to cut down estimates is before they are printed and given to the House, and it might be advisable for us to have a committee on estimates who would go over the estimates of the deputy ministers before they were printed and submitted to parliament.

Mr. GRAHAM: Would there not be a difficulty, in that the estimates would then run a very great risk of being made public before they had got to parliament at all? One of the difficulties which the government and ministers have is in trying to keep the estimates secret before they are printed. The reason for that desire is quite obvious. Has the hon. member given any thought to the idea that a committee dealing with the deputies might lend itself to the estimates becoming public, so that they would then be liable to change before coming to the House? Not only might there be a reduction—and I am not objecting to that, for it is the object of my hon. friend's resolution—but there would be everlasting pressure on the committee to have the estimates increased in many ways.

Mr. COOTE: I must admit that I have not given a great deal of thought to that aspect of the subject, and possibly there is a valid objection there. However, I want to impress upon parliament at this moment the necessity for carefully examining our expenditures. We have been told repeatedly that two-thirds of the expenditures of this country are uncontrollable, and if that is the case it shows all the more necessity for exercising every possible care in the keeping down of all controllable expenditures. I should like to read—

Mr. SPEAKER: Order. I am unable to hear what the hon. gentleman is saying, and I would ask all hon. members on both sides of the House in justice to him as well as to others to be silent.

Mr. COOTE: I shall now read from a short editorial taken from the Ottawa Citizen:

The House of Commons is supposed, in theory, to control public expenditure. In actual practice, it is a very blind control. False economy is practised generally without saving the country anything, while extravagant expenditures slip past session after session. As Mr. Fred L. Davis, a former member of parliament, says, "Every administration has extolled economy and practised extravagance."

The House of Commons is incapable of exercising effective control of national expenditure, because parliament is rarely given the necessary information in time to be of any aid to constructive criticism. The Auditor General's report, as it is tabled in the House, is of very little value to parliament, excepting for post-mortem purposes. The public accounts committee is rarely ever heard of, excepting when some particularly outrageous raid has been made on the public treasury. It is almost impossible for any

private member to delve through the complicated mass of accounts so that they can be effectively checked up during the session.

The time to regulate public expenditure is before the money is voted and not after it is spent. Parliament should have sufficient information when the estimates are before the House to make it possible for members to give more intelligent consideration to routine costs as well as to proposed new expenditures.

The procedure outlined in this resolution, Mr. Speaker, has already been adopted in regard to the estimates of the Canadian National Railways and the Canadian Government Merchant Marine, and I believe it has worked very well. I do not see why it would not work equally well with respect to the estimates of at least some of our other departments. Take, for instance, the agricultural estimates,—I select this particular department because recently in this House we have had an example of how difficult it is to get information which is of value to the committee; nearly a whole afternoon and evening were taken up discussing the one item of dairying, under which it was proposed to expend $230,000. I do not so much begrudge the time consumed in discussing this particular item, but I do believe that the time devoted to it was not nearly so well spent as it might have been. Several members will ask the minister questions at the same time, the minister must consult his deputy who sits in front of him, the deputy looks through his books to find the answers, and by that time possibly three or four other members have put further questions. Naturally the minister answers those questions which he prefers to answer, and sometimes he does not get a chance to answer all the questions which he is quite willing to deal with. After going through this procedure for an hour or two, members get tired and leave the chamber because they are not able to obtain intelligent answers to their questions. Very often the information desired is not available. But if these estimates were handed over to a small select committee, the dairy commissioner could be called and the members of the committee could obtain from him the information they desired and they would be in a position to decide whether the expenditure was necessary or advisable; or possibly they would show him how the money could be better spent, or better results obtained from its expenditure. This procedure might be applied to the estimates of many other departments. I have purposely taken the Department of Agriculture because a year ago we had a very good example of how little information we sometimes get after spending hours and hours in committee of the Whole on one item. On the occasion I have in mind we were discussing the Health of Animals Branch and we spent practically two sittings in dealing with one item of $10,000, and after 11.30 at night we discussed the practical work in connection with that vote—the Health of Animals branch. I believe the total vote at that time for the branch was $2,000,000, but nearly all our time was devoted to the discussion of the one item of $10,000, the remainder of the vote going through at midnight at the request of the minister, who said in effect "We have sat so long on this item and got nothing done; please let it go through". I think that instance is typical of what happened last session in the discussion of the estimates of several other departments. I believe that economies might be effected if the method I now propose were adopted.

Some objection might be taken to my resolution because of the fact that it would require the formation of more committees. But we have now a number of select standing committees of the House, and I think it would be practical to refer to those committees the estimates of most of our departments. The standing committee on Agriculture and Colonization might very properly deal with the estimates of the Department of Agriculture, the Department of Immigration and Colonization, the Department of Indian Affairs, the Department of the Interior and the Soldier Settlement board. The select standing committee on Railways and Canals might be given the estimates of the Department of Public Works to report on. The select standing committee on Mines, Forests and Water Powers might be the proper body to consider the estimates of the Department of Marine and Fisheries and the Mines department. The select standing committee on Banking and Commerce might very well deal with the estimates of the Department of Trade and Commerce, the Department of Customs and Excise, and perhaps the Post Office Department. The select standing committee on Public Accounts has done practically nothing for the last two sessions, and I think it might very well be asked to take up the estimates of Soldiers' Civil Re-establishment, Pensions, National Defence and certain miscellaneous items. It seems to me that such a committee might well be instructed to inquire into the matter of the redemption of our public debt which, I believe, is one of the most important and difficult questions that this parliament has to deal with. We are raising money each year to pay interest on our national debt, and not only are we not making any provision for retirement of the debt, but we are actually adding to it almost every year.

I think, Mr. Speaker, it would be a much more effective way of dealing with our estimates if, as this resolution suggests, they were submitted to the select standing committees of the House to be inquired into and reported upon. That would not preclude discussion of any items in committee of the Whole, but as most of the details in relation to expenditure under these estimates would be thoroughly discussed in the select standing committees, it would be only on comparatively rare occasions that there would be any very lengthy discussion in committee of the Whole on matters of detail. Of course, matters of policy would likely have to be discussed sometimes at considerable length. I hope this resolution will receive favourable consideration at the hands of the government, for I feel certain it would result in a saving of time and of money, if the government adopted the common sense view of accepting recommendations by any of the select standing committees for cutting down of certain estimates. I believe it would be much easier to cut down estimates in a select committee than in committee of the whole House.

Hon. J. A. ROBB (Acting Minister of Finance): Mr. Speaker, the observations of my hon. friend from Macleod (Mr. Coote) must convince hon. members that he takes his duties seriously and has made a careful study of the methods of handling business in this House. With some parts of his speech I quite agree. More than sixteen years' experience in this House has taught me that all parliaments are about the same; we waste hours and days wrangling over academic questions, sometimes over votes for one to five or ten thousand dollars, and in the last days of the session we allow millions to go through without very much consideration. But I would not like the idea to go out that under the Canadian parliamentary system—the British system—there is not a careful scrutiny of the estimates to be submitted to parliament. I have had fairly friendly relations with ministers under different governments, Conservative as well as Liberal, and I imagine the procedure is about the same all the way through: a minister has sometimes more trouble in getting his estimates through the council chamber than he has in getting them passed in the House. Under our system the estimates are first very carefully prepared in the departments, and I think every hon. gentleman will admit that when they are brought down there is disappointment to someone; items are left out that hon. members from some parts of Canada have strongly urged upon the department. Then they are scrutinized by the minister of the department. I do not know what the method of the previous government was, but I know that the Treasury board, a committee of the cabinet, spent about a month over these estimates—brought in the deputies, sometimes brought in the assistants to the deputies in various departments; and the Treasury board had to be convinced that this money was necessary before the items were passed. Then after they passed the Treasury board they came to the council chamber, really a committee of this parliament, where they were submitted to a very close examination. So that our estimates are fairly well adjusted before they are printed and submitted to parliament.

Following that idea, under our system we have the committee on Public Accounts, which makes a very close scrutiny of expenditure. We have, therefore, ample safeguards —safeguards in the preparation of the estimates, safeguards in the watching of the expenditure made under those estimates. But I repeat that we do waste time in academic debates and in long discussions of small items, while sometimes large items are allowed to go through without much consideration. If the hon. member for Macleod (Mr. Coote) would be prepared to amend his resolution along the following lines, it would meet with the approval of the government, and, I hope with the approval of the House:

That the resolution be amended by inserting in the second line thereof, after the word "House," the words "the desirability of having," and by deleting from the second line thereof the words, "should be," and by adding to the resolution the words: "should be referred to the special committee to be appointed to consider jointly with His Honour the Speaker the advisability of revising the rules of the House."

As amended the resolution would read:

That, in the opinion of this House, the desirability of having the estimates referred to select committees before being submitted to the committee of the Whole should be referred to the special committee to be appointed to consider jointly with His Honour the Speaker the advisability of revising the rules of the House.

If my hon. friend will agree to that amendment the government will offer no opposition.

Mr. SPEAKER: I understand that the amendment is moved by the hon. minister?

Mr. ROBB: I thought perhaps my hon. friend (Mr. Coote) would like to amend it along these lines.

Mr. COOTE: I understand that I would not be allowed to amend my own resolution but I would have no objection to such an amendment.

Mr. ROBB: I would move it, then.

Mr. BRISTOL: Does that refer to one sub-committee?

Mr. ROBB: Yes.

Mr. BRISTOL: In that case some members might be well informed on one branch and others on another, and you would have that one committee handling the whole business of the country in that fashion.

Mr. ROBB: A resolution was adopted by the House on Monday that a committee of the House should consider certain proposed amendments to the rules, and this matter is referred to that committee.

Mr. BRISTOL: I understand that. A semi-legal or semi-business committee might be very useful for considering the rules of the House, but would it be useful for the rest of what you are proposing?

Mr. ROBB: The committee would submit its report.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): I do not propose to discuss the resolution, but to express my admiration of the accommodating disposition of the hon. member (Mr. Coote) who moved the original motion and who has now expressed a willingness to accept an amendment which has exactly the same effect as though a line were struck through his whole motion. If motions are to be put on the order paper and when the House is prepared to discuss them amendments are made that simply mean the applying of a chemical to the printed page and wiping out the ink—well, it is trifling with parliament. If this motion as amended passes it leaves everything exactly where it was, exactly as if the motion had never been put on the order paper, because the whole of the rules are already submitted to this committee. The committee now is charged with the responsibility of offering to the House amendments which it recommends, amendments by way of excision, alteration or addition. I had thought the hon. member (Mr. Coote) was desirous of obtaining an expression of opinion on the part of parliament on a very important alteration of the whole system of submitting estimates. Parliament cannot express an opinion if the resolution is accepted as amended.

Mr. GOOD: Can parliament not express its opinion after the committee brings in its report?

Mr. MEIGHEN: It can, but it could do that without this resolution being here at all; that is what I am trying to show. As soon as the chemical of the minister is applied, with the consent of the mover, we are in precisely the same position as if the motion had never been on the order paper.

Mr. GRAHAM: Not exactly, Mr. Speaker.

Mr. MEIGHEN: Will the minister suggest, before I give up the floor, where the difference is?

Mr. GRAHAM: I would rather speak a few minutes.

Mr. MEIGHEN: He would rather suggest it after? Well, I do not wonder.

Mr. GRAHAM: Any time.

Mr. MEIGHEN: The whole rules are before the committee now. So far as the committee is concerned it is charged with the wisdom of making a change, in accordance with the suggestion of the original motion. It was charged with that before we came to the House to-day—charged with it by the motion adopted on Monday. It is again charged with it if the amendment of the minister is accepted, so what is the difference?

Mr. HOEY: Does not this constitute a special reference?

Mr. MEIGHEN: The whole of the rules are referred anyway. You do not add to the committee's powers or duties by making a special reference. You may call its attention to something, but everything is before the committee now; in a word you are no further ahead by making a special reference. What is done is simply to clear the motion away from parliament; it is thrown out of the door; not negatived, not accepted, but it has just quietly passed away, and discussion on the motion as it is now accepted is worthless. Will anybody suggest to me what is the value of discussing whether it is desirable to refer something to a committee which has that thing already before it? How can one discuss an amendment in that shape? For myself, I cannot discuss something unless I can get my teeth into it and see a meaning in it. I leave the discussion to hon. members who are not so circumscribed.

Hon. GEORGE P. GRAHAM (Minister of Railways and Canals): I would not like my right hon. friend to put his teeth into it before he knows what it is. That would be prematurely testing, as the Minister of Agriculture (Mr. Motherwell) would say. As a matter of fact, if my right hon. friend's contention is sound, we need not refer anything in this House to a committee at all. If we are going to say that it is taking the matter away

from parliament when we refer anything to a committee, then why refer a private bill to a committee? My right hon. friend said that it was taking it away from parliament and treating this resolution as if it had never existed.

Mr. MEIGHEN: Certainly.

Mr. GRAHAM: I maintain that if that be the case we might as well do away with all committees. A question comes before parliament and is referred to a committee. There is some discussion in the House, perhaps a good deal, sometimes very little, and then it is referred to a committee, for what purpose? For the purpose of going into details which you cannot get either in committee of the Whole House, or in the House itself.

Mr. HOCKEN: But it is not referred to a committee twice. This is being referred twice.

Mr. GRAHAM: Oh, no. I am afraid my hon. friend is getting mixed.

Mr. MEIGHEN: The minister is mixed.

Mr. GRAHAM: Not at all. There was a resolution to refer the question of the desirability of a revision of the rules to a committee, and now this particular resolution is referred to that committee for particular discussion in the committee. If this House did not take that action, the committee might say: We are not going to deal with this at all.

Mr. MEIGHEN: It has no right to say it.

Mr. GRAHAM: But if this amendment is accepted by the House, the committee is instructed to make special investigation into the question of whether or not we ought to submit the estimates to a committee. It perhaps does not bring in anything new, but it does place particular stress on a particular subject. Before that committee, details of information can be secured that we cannot get in the House. There may be much to be said in favour of referring the estimates to a committee; there may be much to be said against that practice. There is the experience of a partial reference at least to a committee in the Imperial parliament, and there is the experience in the United States of what they call the Budget commission. These things can all be brought before a committee in detail, and what this vote means is that the House sitting as the House with the Speaker in the chair is not going to attempt to decide whether the estimates ought to go to a committee or not, but we are going to ask the committee that is to revise the rules, if revision be found necessary to pay particular attention to this one question, which perhaps is one of the greatest questions that will come before it.

Mr. CLARK: Will that committee be obliged to pay particular attention only to those things that are specially referred to it by this House?

Mr. MEIGHEN: Hear, hear.

Mr. GRAHAM: Not necessarily, but those things that are debated here and voted on by the House will surely receive very marked attention by the committee; but that does not deprive the committee of the right to give any other question equally marked attention.

Mr. HERBERT MARLER (St. Lawrence-St. George): There are some observations I would like to make respecting this resolution which the hon. member for Macleod (Mr. Coote) has brought before the House. Before making those observations I might very candidly say to you, Mr. Speaker, and the other hon. members that it seems to me there is a great lack of interest shown in a very important resolution of this character. No one seems very anxious to debate this particular resolution.

Mr. FORKE: Give us a chance.

Mr. MEIGHEN: Is not the resolution out of the road now? It is only the amendment which has been accepted that is before the House.

Mr. MARLER: I may be entirely out of order. Am I in order, Mr. Speaker?

Mr. SPEAKER: Yes.

Mr. MARLER: If I may continue, Mr. Speaker, I was somewhat astonished at the alacrity with which my hon. friend from Macleod accepted the amendment as put before him. This particular resolution, I repeat, is one of very considerable importance.

Mr. MEIGHEN: Hear, hear.

Mr. MARLER: The resolution appeals to me in very many ways. Since I have been here, not many years, but a number of years, I have noticed particularly the manner in which estimates were put through this House, not with a lack of consideration from the ministers, because I know the ministers in the cabinet have given the estimates full consideration, but there has been a lack of consideration given by hon. members to the estimates, a lack of knowledge even of the purpose of different expenditures, and at times

there has been a very prolonged discussion on very trivial expenditures indeed, while at other times large amounts are sometimes put through this House with a lack of consideration. Now would not a committee of this description be able to divide the important expenditures from the smaller ones, and ask for such reasonable information relating to the larger expenditures that when the items came before the House we would know precisely what we were voting for? Perhaps it is due entirely to lack of experience on my part, but I am free to admit that on many an occasion votes have passed through this House that I for one have not understood. Perhaps on this side of the House I am looked upon as a black sheep or a yellow dog if I dare to suggest to the minister that I would like certain information on a particular item. It is extremely unpleasant to ask ministers on your own side of the House for particular information. It is a most unheard of action on the part of any member on this side to dare suggest that a certain vote be cut down, or that certain action be taken with regard to it, or dare even to suggest that he should exercise his own intelligence in voting the money of the people. Well, if we are all to take that attitude, what is the use of being members of parliament at all? If my attitude was such, then, as far as I am concerned, my usefulness here is worth very many times less than $4,000. I can assure you of that, Sir, most sincerely. It is regarded by members as an attack, and as many hon. members on this side would say a direct attack, though there might be no such intention, upon a minister of the Crown to suggest that a certain vote should be diminished. It is a different thing for any man on this side of the House to do.

The hon. member for Macleod has brought a substantive resolution before this House which, in my opinion, is well worthy of debate; I think it is worthy of the consideration of hon. members, and that we should be given an opportunity in this House of saying yes or no as to whether we wish this particular matter discussed in this House before the Speaker, and decided on, or whether we want it shelved,—because that is what the amendment means. But hon. members sit quietly in their seats and say: No, we will let this amendment go through; we think the resolution is of no great importance; we think the members' votes in this House are of no particular importance and that the information which should be put before us is of no particular importance at all.

Mr. FORKE: The hon. member is drawing upon his imagination.

Mr. MARLER: Well, perhaps I am, but if my hon. friend will tell me how I am drawing upon my imagination I shall be infinitely obliged to him; I am seeking information.

Mr. FORKE: I noticed that the hon. member himself made half a dozen attempts to speak before he succeeded in getting the floor. That being so, how are the rest of us to get the opportunity of speaking?

Mr. MARLER: I humbly apologize to the hon. member for Brandon (Mr. Forke). I know when he gets on his feet he will agree with me; he always does agree with me on most questions.

Mr. Speaker, the finances of this country at the present time are such that hon. members of this House will have to take the responsibility of saying what payments should be made and what payments should not be made, and the only way they can take that responsibility is with the knowledge of what expenditures are to be made on behalf of the country, and whether those expenditures should or should not be made. I repeat that when estimates come before us for discussion hon. members are not in a position to say whether the expenditures should or should not be made because they have not sufficient knowledge, in many cases, to debate those expenditures intelligently on the floor of the House. I am heartily in favour of this resolution as moved by the hon. member for Macleod (Mr. Coote), and I say again I regret he has agreed to the amendment.

Mr. ROBERT FORKE (Brandon): Mr. Speaker, I quite agree with the hon. member for St. Lawrence-St. George (Mr. Marler). I am glad to have an opportunity of agreeing with him occasionally, and I concur in his view as to the importance of the resolution which has been moved by my hon. friend (Mr. Coote). If I thought that the amendment was shelving the issue I certainly would not agree to it, but I believe the matter is going to receive serious consideration. If the House passes the amendment I do not think that any committee would for a moment ignore the resolution and refrain from giving it the consideration which its importance deserves.

I have scarcely ever spoken here in regard to expenditure without expressing my dissatisfaction with the present method of criticising the estimates as submitted to us. At the same time it is perhaps rather difficult to suggest

any change in the present system, or any other course, that would not be open to objection. I am well aware that the House would never surrender the right of criticising estimates as they come before it, and therefore even after estimates have been passed by a select committee they would still be open for consideration by the House as a whole. I agree with the statement of the hon. member for St. Lawrence-St. George that we have never been in a position to criticise intelligently the estimates that have been submitted to us. I have felt that again and again, as we sat here hour after hour, and night after night, just wasting time nibbling at these estimates.

4 p.m.

The Minister of Railways (Mr. Graham) has informed the House exactly how the estimates are prepared, but I must say this: we are always fond of our own offspring, and when ministers have brought down estimates that have been carefully prepared they are not in the frame of mind to see them meddled with very much, and consequently they will defend them to the very last stage. Now, it has often occurred to me that those who could make a really satisfactory reduction in appropriations, particularly those for the civil service, would be the deputy ministers and heads of the different departmental branches. I think I have mentioned once before that when a minister assumes control of a department—containing, perhaps, hundreds of employees and in some cases even thousands—in many instances it is almost impossible for him to familiarize himself with the details of the proposed expenditures and he must, to a very large extent, be at the mercy of the deputy minister or the heads of branches. I cannot but believe, therefore, that if we had a select committee for the purpose of examining into these estimates, departmental officials could be summoned and examined, and in that manner information obtained that we are never in a position to elicit in this House. I attach no particular blame to any of the ministers for defending their estimates, because, as I have already stated, they give those estimates careful consideration before bringing them down and therefore they are not likely to look very kindly upon any severe criticism that may be drawn out in this chamber. There is no doubt of the truth of the statement already made that sometimes we will spend hours upon the consideration of a few thousand dollars while it occasionally happens that as much as a million dollars—and in one instance that I recall as large an amount as $5,000,000—was voted after very little more than one half-hour's consideration. That sort of thing must not continue. Something must be done to limit that state of affairs. I think I am somewhat conservative in a great many of my attitudes, but at the same time I do not believe that because a certain state of affairs has been customary in the past it must continue for all time. We are making changes continually, we are constantly adapting ideas and new methods to new conditions; and I think that the time has arrived when some change must be made whereby there may be more efficient criticism of the public expenditures.

I do not know whether any severe criticism can be directed against the government on account of the present system, I am not sufficiently acquainted with the facts; but I do know that the expenditure of this country is growing, that the people are asking: "Whither are we going?" "What is our present course going to lead to?" Something must be done to curtail the public expenditure, otherwise we shall face disaster. No doubt a large proportion of the public expenditure at present is uncontrollable, but as far as the balance is concerned there is ample margin for the practice of economy and economy must be practised. I could have voted for the resolution as it stood, but seeing that an amendment has been moved and the mover of the resolution has agreed to it I will support the amendment.

Mr. W. F. CARROLL (Cape Breton South and Richmond): Mr. Speaker, I do not agree with those who take the ground that it is shelving the resolution to adopt an amendment to refer it to a select committee. I do not think we are debarred from discussing the merits of the resolution at the present time. If such is the case it is news to me.

Mr. SPEAKER: The resolution itself is embodied in the amendment.

Mr. CARROLL: There cannot be an amendment unless the resolution itself is before the House. Now what happens to the resolution in consequence of the amendment? It goes to a special committee which was appointed the other day. If that committee attends to business it will of necessity consider the resolution and give it special attention. What transpires then? The committee reports to the House, and if that report is not satisfactory it is up to hon. members to discuss it and make it so. There would then be ample opportunity for discussing the resolution, and even under more favourable circumstances because there

will be greater information available when the resolution returns to the House after having been considered by that committee.

With respect to the matter of the estimates I am not one of those who entertain any fear to ask a minister questions regarding any particular item that I do not understand. If there are hon. members who do not understand items in the estimates—and I am free to say that I am in that class myself occasionally—I think they have only themselves to blame for neglecting to obtain an explanation or the necessary information. There is only one way to properly understand the estimates and that is to study the Auditor General's report for the previous year and thus to grasp the exact nature of the expenditure involved. No hon. member can discuss the estimates intelligently without being a close student of the Auditor General's report for at least the preceding two years. It is open to every hon. member to refer to that book and acquaint himself with the details of public expenditure. I must say that since the advent of the members of the Progressive party more attention has been paid to the Auditor General's report, with special regard to the necessity of particular appropriations, than used to be the case. That is showing a proper spirit and working in the right direction. The hon. member for St. Lawrence-St. George (Mr. Marler) thinks a member should be termed a black sheep who gets up in this House and asks a minister certain questions about estimates.

Mr. GRAHAM: If that is so, there would be plenty of black sheep.

Mr. CARROLL: If that is so, I am very black, because whenever there is before the House an estimate in connection with which I have any doubts, I have no hesitation in asking the minister what it means, and I have always received courteous treatment. When I was in opposition, I always received courteous treatment from ministers of the crown who happened to be politically opposed to us at the time. The only item this year that I had any real grievance about was one of the Minister of Agriculture (Mr. Motherwell) and he treated me very decently. He did not throw me out of a window or say to me: "Shut up, you black sheep"—or "gutter-snipe." He explained the situation very well from his point of view and I am not saying that he is not right. But the idea that a man who asks a minister questions in regard to estimates is thereby thrown into a class by himself is, to my mind, absolutely absurd.

As regards the point raised by the leader of the Progressive party (Mr. Forke) as to large estimates going through without very much consideration, there is a reason for it and the reason is this: The other day, for instance, when the Postmaster General (Mr. Murphy) had his estimates before the House, we voted over $1,300,000 of estimates for civil government in that particular department. Why did we go over that so quickly? Because certain expenses are included in that which we must have and which we all know about. There are the expenses of the inside service and the outside service, and it is only when a large increase is made in these items that members begin to ask questions as to the necessity for the increase. If there is a decrease, of course the minister explains it. He may not explain the matter so fully if there is a large increase. The same thing may be said of all the other departments. If, however, for example, the item is for a wharf in Manitoba, Saskatchewan or Nova Scotia costing $1,000—yes, there are wharves and dredging in Manitoba, and the hon. member for Springfield (Mr. Hoey) need not shake his head.

Mr. HOEY: Very little.

Mr. CARROLL: There are wharves on the Red river built and maintained by this government. If something of that kind comes before the House and it is new, there is more talk about it than about an estimate of $2,000,000 for civil government appertaining to any department of the government, because it is something new; and our friends on the other side, the Conservatives and the Progressives, if the project is brought forward by a Liberal government, think there may be something mysterious about it, that it may have something to do with elections. I presume that if we were in the place of the opposition we would be as persistent in ferreting out these things as are our hon. friends on the other side of the House. That is simply to show why large votes go through apparently in a hurry, but are really well understood by hon. members who are giving the business of this country any particular attention.

I do not intend to discuss the merits of the main motion of the hon. member for Macleod (Mr. Coote). I have my own ideas about it. It will come back to this House, and we shall be asked, with some direction, to vote upon it. I am not one of those who think we should continue along a certain line of action, because our predecessors in this House thought fit to go along that line. If this

House meets, as it has been doing for the last five or six years, in January or February, and if the government want to get estimates through before the end of the financial year, I would advise the House to go very slowly in appointing new committees to deal with questions of estimates. This committee may be composed of ten, fifteen or twenty-five members, and I do not care how minutely and how much in detail a committee on estimates may go into those estimates in the committee, there will be in this House practically the same discussion on estimates as there is at the present time. If we meet here the first of February, we are going to have a great deal of difficulty, with this committee, in getting through any estimates before 31st March.

Mr. WOODSWORTH: Is that true of the special committee on railway estimates last year?

Mr. CARROLL: Railway estimates, I understand, are put into a category by themselves, especially this year. But it might become true of them too. That is only one estimate; but we have ten, fifteen, twenty departments, and if you divide the departments into their subdivisions, we have perhaps forty or fifty different lines of estimates and we cannot get a report on all those estimates by a committee in time for this House to put them through for the end of the fiscal year.

Mr. CALDWELL: Does the hon. member forget that the hon. member for Macleod recommended that the estimates for the different departments be referred to different committees?—for instance, that the agricultural estimates be referred to the committee on Agriculture. I admit that one committee would have difficulty in dealing with all the estimates.

Mr. CARROLL: I did not notice that. I am not making an objection; I am simply throwing out this hint to the House. Supposing all these committees are appointed after the estimates are brought down in this House as they were three or four days ago, how long would it take a committee to get through one set of estimates? It would take them a week or a fortnight, and if they give the estimates the attention which some people think they should receive, it would take them four or five weeks to get through one set of estimates. I am not objecting to the main motion, I am throwing this out as a suggestion. When this committee brings in a report on this particular resolution, we shall have ample opportunity of discussing the merits of the substance of the resolution, notwithstanding the fact that there is an amendment to send it to a special committee of this House.

Mr. J. A. CLARK (Burrard): Mr. Speaker, I think it is a great pity that the hon. member who introduced this resolution accepted the amendment, because in the first place this House cannot now express its opinion upon the merits of the resolution as drafted. Second, the acceptance of the amendment means that the committee which has been appointed to revise the rules of this House will not ignore, as the hon. member for Brandon (Mr. Forke) says, the amendment, but if this House specially recommends that the committee consider a specific thing, the committee will consider itself limited to consideration of those subjects which have been specially referred to it by this House.

An hon. MEMBER: Why?

Mr. CLARK: Because this subject in itself is big enough for one special committee to consider over a period of weeks. In my opinion, a select committee might well be chosen from this House with the idea of improving the business methods that are in vogue here, and unquestionably those methods can be improved. For instance, the length of any session of parliament is largely due to the length of time that we consume in considering estimates. And what do we gain by consideration of the estimates? As the Acting Minister of Finance (Mr. Robb) says, the estimates are carefully considered by the cabinet before they are printed. But even if they are carefully considered, after they are introduced into the House they must be passed. A member supporting the government may ask a question and may receive a courteous answer, but he dare not oppose the passing of the estimate.

Mr. CARROLL: Did the hon. gentleman not hear me opposing an estimate the other day? I dared to do it but did not get any satisfaction.

Mr. CLARK: But there is no such thing as voting against or throwing out the estimate once it has been introduced by the government. Having been introduced, the estimate goes through. Can my hon. friend mention one case of any government since confederation which has fallen on a money vote, or any question of an estimate before the House?

Mr. CARROLL: What does the hon. member mean by "fallen"?

Mr. CLARK: I mean the government being defeated in the House.

Mr. CARROLL: I do not know of any government that has resigned on that account but I do know of governments, through pressure either on the part of the opposition or on their own side, having reduced estimates.

Mr. MEIGHEN: I remember that myself.

Mr. CLARK: Suppose the opposition effectively criticised an estimate which was introduced by the government. What chance is there of that estimate being reduced by the government unless the cabinet were afraid that the opposition might be stronger and might vote them out of power? That is the only possibility of a government considering the revision of an estimate. On the question of time consumed, it seems to me obvious that no man can stand for parliament unless he either has sufficient money to make it possible for him to devote his life to this work or is prepared to become a professional politician and use the indemnity for his livelihood.

Mr. ROBB: Or lives in Toronto.

Mr. CLARK: At any rate, he must have someone who is prepared to carry on his business while he is away. The sessions are so long, and unnecessarily long as a rule, that a young man faces one thing and one thing only—his business will go to the four winds if he continues in public life. Surely it is obvious to the members of this House that there are business methods that can be introduced into parliament that would shorten the session and at the same time enable us to deal effectively with all business problems that come before us. For that reason I regret very much that the hon. member for Macleod (Mr. Coote) has accepted the amendment, because in so doing he has effectually made it impossible for the House to express its opinion on the advisability of having the estimates referred to select committees before whom officers could be summoned and thoroughly examined. He has, I say, effectually precluded that system which I am sure would prove better than the farcical method now pursued of asking the minister questions about some matter about which he is absolutely uninformed except the information he can get from his deputy before him, who has in his book certain written answers.

Mr. PUTNAM: In what way does the hon. member think that the leaving of the estimates to a special committee would expedite the business of the House?

Mr. CLARK: To-day we ask questions of ministers who cannot possibly be fully informed on the subjects in question. No minister can of his own knowledge give such a concise explanation as probably would be accepted by every member in the House. I do not say that the minister should be fully informed of the questions that arise, because it would be impossible for him to have all the knowledge that is available on the subject. The result is he flounders about and it takes us hours to get the information out of him. Under the present system I might ask a minister some question on a subject which he does not fully understand and I might want to follow it up with further questions. Before I get an opportunity, however, to ask another question members in other parts of the House go on to something else, and finally I have to bring the minister back to the matter I was pursuing before, and in that way time is wasted. Furthermore, under this system there is a tendency to string the thing out, because members unnecessarily play with the minister. If we got down to business, however, in a committee sitting around a table, there would be no occasion for this sort of thing because we should have experts to deal with, men who had made a special study of the particular item under discussion. I have no hesitation, therefore, in saying that the time consumed under such a system would be not more than one-half the time now taken up in considering the estimates. On that point I think it is of particular importance that the members of the House should be given an opportunity of examining and cross-examining the officials, who are necessarily better versed than the minister in the whole subject and could give more satisfactory answers regarding any special item in the estimates.

Mr. FRANCOIS J. PELLETIER (Matane): Unlike my hon. friend (Mr. Clark), who regrets that the hon. member for Macleod (Mr. Coote) should have so readily accepted the amendment submitted by the Acting Minister of Finance (Mr. Robb), I agree with the amendment, for these reasons. To begin with, the resolution itself states that in the opinion of this House estimates should be referred to select committees before being submitted to the committee of the Whole. It has been fully explained by the Acting Minister of Finance how the estimates are dealt with; they are carefully studied and scrutinized by the Treasury board and the Privy Council, and when the estimates come before the House they are, to my mind at any rate, simply here to be confirmed. As for submitting, let us

say, the argicultural estimates to the agricultural committee and the railway estimates to the railway committee, and so on, I think I am quite safe in saying that frequently the members of the committees that now investigate various matters have to send messengers and pages to call the members in in order to have a quorum, only a few remaining to do the work. You know, Mr. Speaker, as well as I do that at week ends a number of our hon. members take time off to go preaching, or to attend political meetings, or prayer meetings, or whatever other meetings they see fit to attend, so that they are absent from Ottawa. As a rule they leave on Friday and do not return until Monday afternoon or Tuesday. Now, supposing the committee met on Fridays, Saturdays or Mondays, and there was no quorum? I fail to see why we should not adopt the amendment, because the committee to be appointed to consider the revision of the rules will certainly have ample time to study this question and give it all the consideration it deserves. Therefore I am absolutely in favour of the amendment, and I do not regret that my hon. friend from Macleod has accepted it.

Mr. ALFRED SPEAKMAN (Red Deer): Mr. Speaker, I am very heartily in favour of the principle embodied in the original resolution, not because I believe it would greatly expedite business in the House, for undoubtedly a great deal of discussion would still take place in committee of the Whole, but because it would enable many of us who are comparatively new members to at least understand the business that was passing before us. I may take my own case, and I imagine it is typical of the majority of members. I believe in economy, but in intelligent economy; in other words, I desire to vote for reductions when those reductions can be made without imperilling the public good.

I am a prairie man; save by hearsay, I know nothing for instance, of the problems of the Maritime provinces or of British Columbia—the problems peculiar to a seagoing people—and yet I am desirous of being fair to those people. What do I know of the merits of the case when estimates are brought forward for the construction of wharves and breakwaters on the coast of Nova Scotia? Nothing. By supporting such estimates I may be party—unwittingly—to an arrant piece of jerrymandering, of graft, given for the sake of getting votes; by opposing them, I may be depriving the people affected of an essential public service. In a word, I am voting with an absolute lack of knowledge, and consequently with an absolute lack of intelligence. I object to being put in that position.

By referring the various estimates to committees as proposed, some members in the House besides those directly interested in the constituencies in which the expenditure is to take place—whose word naturally is not always to be accepted at its full value because of their desire to have as large an estimate as possible for their riding—some independent members, would have an opportunity of gaining accurate knowledge, and the discussions carried on in committee of the Whole, led by those members on the special committee, would bring out the information essential to an intelligent understanding of the estimates. This, I believe, would enable us to deal with national expenditure in a more businesslike way.

I am not in favour of having all the estimates sent to one select committee: partly because that committee would be overwhelmed with work; no one committee could possibly deal intelligently and adequately with the whole mass of estimates. And, moreover, the educational benefit derived would be confined to a very small percentage of the House, but by dividing the work among various committees, each of which by its very nature is peculiarly adapted to deal with the particular estimates assigned to it, the educational result would be spread among a far greater number of members and the House as a whole would understand more thoroughly what is being done.

It has been stated, and I suppose with absolute correctness, that before the estimates are brought down they have been gone over most carefully by the different ministers and by the cabinet as a whole. But what does this mean? Simply that they understand the estimates and must take the sole responsibility of passing them. Carried to its logical conclusion, we might as well dispense with parliament altogether so far as our national expenditure is concerned.

Mr. CAHILL: Who has the responsibility if a committee does the work?

Mr. SPEAKMAN: This House in voting the estimates must accept some measure of responsibility, and we are accepting it now blindly and without knowledge.

Mr. CAHILL: Not at all.

Mr. SPEAKMAN: To a large extent. We can ask questions here, but the difficulty is that a lot of us know so little of the subject under discussion that we cannot even ask intelligent questions. A member must know something of the nature of any particular

item of the estimates before he can put intelligent questions, otherwise he may be altogether wide of the mark and obtain no adequate information whatever. We have all found ourselves in that situation.

I do not think the amendment is altogether satisfactory; on the other hand, I am not satisfied that it necessarily kills the substance of the motion. What will happen? In the first place, without this amendment, without the reference of this specific subject to it, would the special committee which is to be appointed discuss the matter at all? Has this matter direct relation to the rules of the House? Is it a rule of the House that estimates shall be treated in this way, or is it merely custom?

Mr. MEIGHEN: It is a rule of the House.

Mr. SPEAKMAN: But, in the second place, this committee can elicit information and in their report will give their reasons for or against the adoption of the proposal contained in the resolution, and at that time, if we are not satisfied with their conclusions, we shall have the opportunity to again discuss and, if necessary, decide on the principle itself. That, of course, is what I intend to do, to treat the proposal on its merits after the committee has reported on it, when perhaps I shall be able to discuss it more intelligently than I can do at the present time. I wish to impress on the House the feeling of those hon. members who are honestly desirous of discharging their duties intelligently and conscientiously, but who are unable to do so at the present time through sheer ignorance. I think this proposal would help us to deal with the estimates more satisfactorily because we shall know what we are talking about, and we shall present to the country the spectacle of a House of Commons better equipped to discuss one of the most important subjects brought before it—the expenditure of the money which the people have to pay.

Mr. ROBINSON: How will those who are not on the committee have this knowledge, or have more knowledge than they have at the present time?

Mr. SPEAKMAN: In this way; on all sides of the House there would be men qualified to lead the discusion, men who could bring out the essential information required, and from them the rest of the House would learn something of the estimates under discussion.

Mr. PELLETIER: It would be hearsay.

Mr. SPEAKMAN: No, it would be intelligent discussion led by those better informed members, and through that intelligent discussion other members not upon those committees would receive information. We had a splendid example last year of what we may expect. When the branch lines were being discussed in this House no member outside of those representing the constituencies affected knew anything about the question. We either sat silent or discussed the question in ignorance. When it was referred to the special committee, engineers were summoned, maps were produced, and each branch line was discussed, and later on the floor of the House the bills were intelligently discussed before they were passed. I believe we would find the same thing happen with regard to the estimates, which is perhaps one of the most important subjects with which we have to deal.

Sir EUGENE FISET (Rimouski): Mr. Speaker, I have listened carefully to the discussion on the proposal to submit the estimates to a special committee. I have had some experience both in the preparation of estimates and also in trying to answer the numerous questions that were put to the poor minister on the floor. I have been very forcibly struck by the proposal which is now before the House. But one thing seems to have been forgotten; at any rate it has not been mentioned by any of the ministers or by others who have taken part in the debate. If you submit all the estimates to a special committee for consideration, it is tantamount to this: you might as well ask each minister to have printed and submitted to each member of the House the detailed information that is prepared for him in book form by the officials of his department. That is the information that will be given by officials of the department if the estimates are discussed in a special committee. Why not have this information printed before the estimates are discussed in the House and distributed to each member? By this method we would avoid not only the discussion in the special committee but the second discussion that is bound to take place when the estimates are again submitted to the committee of the Whole?

Mr. HAROLD PUTNAM (Colchester): Mr. Speaker, it does seem to a tyro in parliamentary practice like myself that with the exception of two or three contributions this discussion has taken a very illogical range. Some hon. gentlemen seem under the hysteria that unless they can discuss this very question here and this afternoon the opportunity will never recur. As I take it, if the amendment

proposed by the hon. Acting Minister of Finance (Mr. Robb) prevails, in due course of a brief time there will be a report from a committee and nothing under the firmament of heaven can then prevent this House from having a discussion, whether or not the finding of that committee be in favour of the submission of the estimates first to a committee. The hon. member for Burrard (Mr. Clark), with a fear not worthy of his intelligence, made the direct statement that unless the discussion proceeded now it would be impossible ever again to have the discussion on its merits, before this House.

Mr. CLARK: I beg to differ, if I may rise to a point of order, Mr. Speaker; I said no such thing. I said that if the amendment is accepted by the mover of this resolution (Mr. Coote) it is not possible for the House to express its opinion on this subject to-day.

Mr. PUTNAM: The hon. member did not say "to-day"; he put it absolutely. But I freely and willingly accept his statement of what he really meant.

Mr. CLARK: Read it to-morrow.

Mr. PUTNAM: Oh, my ears are sharper than my tongue, and I am giving what the hon. member said.

The mover of the resolution presupposes that at least in some circumstances a committee to deal with a given matter in its first stage would be above the ability of the House of Commons, and I can reverently say that the amendment carries out better and more logically the purpose of his motion than the motion itself. The motion says in effect that to have a committee of the House review the recommendations of the cabinet is better than to have the House do so; that a committee should take the first shock of handling the estimates before they are discussed in the House. He has urged the principle of exalting a committee over the House; of making a committee a shock absorber in the matter of the estimates. Then, Mr. Speaker, we have gone on record as desiring a committee to report on the revision of the rules, rather than having that matter of revision taken up initially by debate in the open House. The committee to be thus charged with a revision of the rules is obviously the place where any and all revisions of those rules should first be dealt with.

What the mover of the original motion and the mover of the amendment both have in view is a potential change in the rules. We are on record as referring to a committee all rules which may be susceptible of change; let us refer this one also to that same committee or assert that impliedly it is already so referred. The right hon. leader of the opposition (Mr. Meighen) seems to think that the motion is in effect wiped out mechanically or chemically by the amendment. It seems to me that the right hon. gentleman should show why an exception should be made of this proposed change of rule by discussing it in the open House first rather than having it initially dealt with by the committee to which the whole question of the change of rules has already been referred. I think a burden of proof stands squarely against him. In fact, the House has already expressed its sense as to the method by which this matter of qualifying the rules should be dealt with, and I think it is good sense.

Mr. DONALD SUTHERLAND (South Oxford): I have listened with much interest to the discussion of this motion and to the amendment which has been moved. I have been endeavouring to locate the cause for any such radical movement as is suggested in the motion and also in the amendment, and I say that I think the hon. member for Rimouski (Sir Eugene Fiset) has touched upon the real reason for the bringing up of this discussion. If we had submitted to us by each minister as he brings on his estimates a detailed statement of what the money was being used for, it would not only facilitate the passing of the estimates but it would avoid any such discussion as we have here and the moving of such motions as we have had this afternoon. I have a very vivid recollection of attempts on the part of ministers to smuggle their estimates through the House; I have even made that statement on the floor of the House and have not been rebuked for it. With such a scheme as is proposed by the hon. member for Macleod (Mr. Coote) it would be impossible for anything of that kind to happen. A committee such as is suggested in the original motion would review the estimates submitted by each minister and hon. members would have a pretty well defined idea of what the money was being voted for. We have seen ministers submit their estimates to the House and deliberately withhold information to which the House was entitled before an intelligent vote on the items under consideration could be given. That has occurred time and time again. I have also noticed that many estimates of a questionable or suspicious nature are held over until the last days of the session, and millions of dollars are fired through at the last minute, late at night or early in the morning after an all night session, without

very much consideration. I think it is high time that some better method should be adopted than the one that has been in effect here during the last two or three years.

Mr. ROBB: In what regard have the last two or three years differed from the other fourteen that my hon friend has spent in the House ?

Mr. SUTHERLAND: If my hon. friend desires that information I will endeavour to illustrate it by something that happened in this House in 1923. While in committee of the Whole on the estimates of the Minister of Agriculture (Mr. Motherwell), information was asked with regard to a particular matter. Upon my submitting a question on the subject the Chairman informed the committee that that matter came under the head of civil government and when I attempted to discuss the matter referred to I was ruled out of order. I think it was the hon. member for Battle River (Mr. Spencer) who asked where the payment came in for a man who was known to be in the employ of the government. After the item was passed and the question was put directly to the minister he quietly informed the committee that the matter came under the item which had just been passed and Hansard does not show that the item he claimed was passed, was ever submitted. I was in the House all the time and followed the passing of these estimates carefully. My attention was closely fixed upon the item referred to and I never heard that item called.

Mr. ROBB: If my hon. friend will allow me, the question I asked him was in what regard it differed from the experience of the other fourteen years. My hon. friend will recall that he was once before ruled out of order in 1918 when he was finding fault with the ministry he was then supporting, with Dr. Tolmie, when he held up the House four or five hours.

Mr. SUTHERLAND: I do not recall that incident, but it is just possible, because I insist on getting information that I think I am entitled to have. In this instance, the chairman of the committee informs me that the matter came under the head of civil government. I looked over the items under civil government, and I could not find it. Then another item comes up, and the minister quietly informs the committee that it was in the item which had just been passed. He was asked to reopen the question, but he would not do anything of the kind. I am referring to the money that was paid illegally out of the treasury of this country to the organizer of the Liberal party, Mr. Duncan Marshall, and I believe that is the thing that is more responsible for this discussion coming before this House to-day than anything else—the obvious lack of common ordinary courtesy on the part of the Minister of Agriculture (Mr. Motherwell) and his effort to conceal from the committee the moneys that are being voted by this House. If the estimates were submitted to a committee of the House before they came up for consideration in committee of the Whole, or if the suggestion of the hon. member for Rimouski (Sir Eugene Fiset) were adopted and each minister came down with a detailed statement showing what the money he was asking parliament to vote was for, I think there would be no necessity for a special committee. But hitherto we have had to extract information from some of the ministers by a long and laborious process, particularly from the Minister of Agriculture, and that same process had to be gone through here on Friday night. It seems to be a habit with him to bring up his estimates on Friday night. After I left the House on Friday night I noticed in Hansard that someone requested that the particular item then before the committee with regard to live stock should be left over until more members who had left for home late Friday night should be here, and the minister informed the committee that possibly I would be back again on Monday when these items came up, and he was anxious to get them through before I returned. I ask you, Mr. Speaker, is that a proper way of voting the money of the people of this country? I say that the practice that has been followed here during the last two or three years is responsible for the protests which have been made here this afternoon, and if the government would adopt a reasonable method of presenting its estimates and have each minister give a detailed statement as to what the moneys voted were to be used for, I think there would be no request to have the estimates referred to a special committee. I do not like to refer to these things in this way, but it has come to the stage where I must protest against the methods that have been adopted and followed in voting money without the knowledge of what it is to be used for being in possession of members of this House.

Hon. T. A. CRERAR (Marquette): Mr. Speaker, the subject which we are discussing, you will recall, was discussed very fully in the parliament preceding this one, in the session of 1921, on a motion that was introduced by your Honour, then occupying a

seat on the floor of this chamber. You suggested the appointment of a committee to scrutinize estimates before they were submitted by the different ministers to the committee of the Whole. As I listened to the discussion this afternoon, my mind wandered back to the debate that took place on this subject four years ago. I recall that your Honour introduced that resolution in a very effective and forceful speech. You set out in much more detail than is contained in the motion of my hon. friend from Macleod (Mr. Coote) the means that should be taken to effect the purpose you had in view. I recall that after you had spoken, my hon. friend from West York (Sir Henry Drayton), who was then occupying the position of Minister of Finance also spoke, and while he did not disagree with the principle that you, Mr. Speaker, had enunciated and supported in your speech, he did rather take the position that after all it was not very necessary. True, he said, they had done something of the kind in the British parliament, but then conditions there were wholly different from what they were in the Canadian parliament. Then I recall that the present Prime Minister (Mr. Mackenzie King) spoke and supported you quite vigorously in the position you had taken, and urged that it was of very great importance that this committee should be appointed, or at all events that serious consideration should be given to the appointment of a committee for that specific purpose. Others also took part in that debate. I recall that the then sitting member for Neepawa made what I think was the most effective contribution, after the speech of your Honour, to that debate. The upshot of our discussion was that at the suggestion of the government your Honour withdrew your motion, and it was the general consensus of opinion in the House at that time that the discussion had done a great deal of good.

I do not find myself on common ground with the right hon. leader of the opposition (Mr. Meighen) when he takes the view that the amendment which has been submitted, and has been accepted by my hon. friend from Macleod, disposes of the whole matter; not at all. As has already been pointed out in the discussion, it simply amounts to this: It makes this question of whether a change in our procedure should be made and the estimates submitted to a special committee, a matter of special reference to the committee that is going to consider the revision of the rules of the House; it is an instruction to that committee that this matter must be dealt with by them; that is all it is. Otherwise the committee charged with the

revision of the rules of the House, if such be deemed necessary, might not feel under any obligation whatever to consider a change in the practice of submitting estimates. It does seem to me that that is the sensible way to proceed, and for this reason. We should not lightly change the rules and the practice of this House; when we do make a change we should be as certain as we can be that our judgment is sound and that the change will be beneficial to the conduct of the public business of the country.

We have had a suggestion made by my hon. friend from Rimouski (Sir Eugene Fiset) this afternoon, which by the way appears to me to be the only concrete suggestion that has been made in the discussion. I am not prepared at the moment to accept his suggestion, valuable as I think it may be; but I do think that this suggestion could be made, to the committee that is charged with a revision of the rules, and evidence secured and the books examined in which the expenditures submitted to the ministers are set out, and submitted by the minister to the House. In that way its value could be best determined. That would be an eminently sensible way of proceeding. But I must say that I doubt if any committee charged with the duty of revising the estimates before they are submitted to the House would prove of very much greater value than the procedure we now follow with regard to the estimates. I think it would be of some value, but after all if we are to secure economy in public administration—and if there is one note that has run through all the speeches made in this debate this afternoon it is the desire and the need for economy—there must be more than a desire for economy among the members of this House. There has got to be a desire and an understanding, and a thorough understanding, of the need of economy in the constituencies, back in the country. Because, after all, this parliament is simply the mirror, it is in large measure the reflection, of the opinion that exists in the country—at any rate it should be.

I agree with the criticism that has been made this afternoon, that perhaps we take up too much time in academic discussions in this House. After all, what is the function of parliament? The function of parliament is legislative. It has to do with the consideration of the expenditure of public moneys, it has to do with the consideration of the all important question of how those moneys will be raised, the forms of our taxation, the question of what laws we shall enact and how they shall be enforced. Parliament in the real sense of the word is not a body that

exists for the purpose of carrying on propaganda. That is peculiarly a thing that should be done outside of parliament; and when your public opinion has crystallized, as a result of propaganda, along any particular line of reform then that opinion will be reflected in the nature of your legislation and your administration. Such being the case I feel that a burden lies upon the individual members of this House to carry the gospel of economy back into their own constituencies. It has been apparent, I think, to anyone who has observed the proceedings of parliament closely, that very often criticisms of expenditures suggested or expenditures omitted are the result—to some degree at any rate, and we are all sinners in that respect more or less—of the particular or peculiar political effect they may have in some constituency or constituencies; and that, I maintain, is not the atmosphere in which we can approach this question of economy in public expenditures. Unfortunately we have had this condition of opinion in the country in the past—and I am not reflecting on or directing my attention to any particular section of the country; it is a disease that seems to have affected the whole body politic more or less —that the merit of a member and the value to his constituency was judged too much by the number of scalps he brought home at his belt at the end of the session in the way of votes of money for works in his constituency.

Miss MACPHAIL: I want to call the attention of the hon. gentleman to the fact that that is not true of Southeast Grey.

Mr. CRERAR: I am sure public opinion in that constituency has improved since my hon. friend has been its representative. I repeat, what I have described is a condition that has, to too great extent, existed in the country, and I say that no matter how many committees you may have to consider estimates, no matter how many questions you may direct to sweating, agonized ministers in this House, you will never find a real basis for economy until there is full appreciation and an understanding of the needs of it among the people outside of parliament.

Now I think that the hon. member for Macleod (Mr. Coote) in accepting the suggestion that the matter be referred to this special committee has acted wisely. I do hope that that committee, whoever may compose it, will thoroughly examine the whole question, get whatever evidence they can, approach it in an impartial manner, find if possible means whereby these estimates can be scrutinized, and if possible revised, before they are submitted on the floor of parliament, and thus not only save the time of parliament but make some saving to the pockets of the taxpayers of this country as well.

5. p.m.

Mr. SPEAKER: Is it the pleasure of the House to adopt the motion as amended?

Some hon. MEMBERS: Carried.

Mr. COOTE: Have I the opportunity of replying?

Mr. SPEAKER: If the hon. member replies that will close the debate. Therefore, if any other hon. member wishes to speak he should speak now.

Mr. W. C. GOOD (Brant): If I may be permitted I should like to say a word or two. I want to indicate my entire agreement with the amendment, not because I am not in favour of the original motion, but because I do not think we have enough information at this stage to decide the matter as intelligently as we shall be able to do after the committee reports. I think it is a very wise amendment, and I am glad the mover of the resolution has accepted it. I should like to say further that the attendance this afternoon indicates that this is a matter which comes home very strongly to a great many members of the House. It is really a very important question, and I am glad to see the interest that has been taken in it.

Mr. COOTE: I just wish to take a very few minutes of the time of the House in concluding this debate. First, I should like to refer very briefly to the remarks of the right hon. leader of the opposition (Mr. Meighen), and to the remarks of the hon. member for St. Lawrence-St. George (Mr. Marler) expressing regret that I had accepted the amendment offered by the Acting Minister of Finance. I may say, Mr. Speaker, that I gathered from the attitude of hon. members when I was speaking on this resolution that the House was not interested in the question to any great extent. I might remind you, Mr. Speaker, that you were good enough to rise and ask for order in the Chamber in order that the mover of the resolution might be heard. Even after that I am not sure that I made myself heard by all the members. When a member cannot make himself heard, he naturally feels that the House is not very much in sympathy with his motion. I felt that here was a chance of getting some action when the Acting Minister of Finance went so far as to say that the government would be quite in

favour of referring this matter to the special committee which is to inquire into the question of revising the rules of the House.

I may explain my reason for putting this resolution on the order paper. After being here for three years I was almost in despair of the hon. members of this House doing anything that would effectually reduce the estimates as presented to them. I felt last year that the only possible way by which we could get a reduction in these estimates was to move that they should be reduced by, say, one-fifth or one-sixth of the amount as brought down, and leave it to the minister to decide on what particular items he was going to retrench. But that might not be a wise way of reducing estimates. We have some expenditures that are necessary, we have some, I am sure, that are unnecessary. In the Department of Agriculture alone, I believe, if my suggestion were adopted and the members of the committee gave their very best attention to this matter, we could effect a reduction of a million dollars in the departmental estimates through the cutting out of overlapping between the Dominion and the provinces alone.

Mr. MOTHERWELL: Would my hon. friend be good enough to give me a list of the items upon which he would make that saving, because I have been endeavouring to avoid the overlapping to which he refers? I should be delighted to receive an itemized list of just where my hon. friend would begin, and would endeavour to apply it.

Mr. COOTE: I am sure the minister would not expect that I should give those details offhand; but I think possibly that if this committee would take the matter in hand, we could go into the proposed expenditures in detail and soon find out where we could save the sum I have suggested. I may have made it too big, but I honestly believe it could be done.

One other thing I should like to say in regard to this resolution. I am not absolutely satisfied that the suggestion I have made is the best one that can be made in regard to getting better procedure for the discussion of estimates. When I put the resolution on the order paper last year, I thought it was the very best that we had any hope of having adopted in this House and I am still rather of that opinion. I am pleased to see the interest which the House has shown in the consideration of this resolution, and trust that some good will result from the discussion.

Before concluding I should like to draw the attention of the House to what has been accomplished in the United States in the way of cutting down expenditures. This reference will be very brief and I hope hon. members will give me their attention while I present it. This quotation which I will read is part of an address by the President of the United States at the seventh regular meeting of the business organization of the government. That is, as I understand it, a meeting of heads of government departments from all parts of the United States. The president is referring to the work which had been accomplished since the Bureau of the Budget was established in the United States. I am quoting this in the hope that I may impress upon hon. members the possibility of finding ways of cutting down the expenditures that this country is enduring at the present time. The president says:

> For the fiscal year ending June 30, 1921, the last pre-budget year, our expenditures were $5,538,000,000 and our receipts $5,624,000,000. For the succeeding three years, which include the year which ends to-day—

This is after the Bureau of the Budget had been established.

> —our expenditures were $3,795,000,000, $3,697,000,000, and $3,497,000,000, respectively. Here we show a progressive and consistent reduction in expenditures.

Then he goes on to quote the receipts which I do not think I need quote to the House. He continues:

> An analysis of these figures shows that in the face of a progressive reduction in receipts we have still achieved a substantial surplus at the end of each of the fiscal years—$314,000,000 for 1922, $310,000,000 for 1923, and in excess of $500,000,000 for 1924.

Further on he says:

> Without the aid of this recurring surplus the public debt would be $1,100,000,000 more than it now stands, and the interest charges would be some $45,000,000 greater next year than we shall now have to pay.

In conclusion, I am going to ask the Acting Minister of Finance (Mr. Robb) who moved this amendment that we have some suggestion from the government that this committee will be asked to consider this particular matter as soon as possible. If that were done, we might have from the committee a recommendation that would help us to secure some better method of considering and discussing the estimates even at the present session. Should that result be achieved, I feel that the time we have taken over this resolution to-day will have been well spent and I shall be satisfied.

Mr. MACLEAN (York): Mr. Speaker, has the committee met yet and are we likely to get a report this session?

Mr. SPEAKER: The committee has not yet been formed but it will likely be formed in a few days.

Mr. MACLEAN (York): And progress reported?

Mr. SPEAKER: I am not speaking for the government, but as my name was mentioned in connection with the committee, I suppose the committee will be formed in a few days and will then sit.

Amendment agreed to.

Motion as amended agreed to.

CANADIAN COASTING REGULATIONS

On the motion of Mr. Hocken:

For a copy of all applications made to the government, or any department thereof, towards the close of the last navigation season on the Great Lakes, asking for a suspension of the Canadian coasting regulations, and of all correspondence between any member of the government, or any of its officials and any other person in reference to the same matter.

Mr. MEIGHEN: I notice that this motion is really an order for papers. If the House does not object, I take the responsibility of moving it.

Mr. GRAHAM: There is no objection to the motion except this, that the hon. member himself may want to make some remarks on it. We have an order under which motions for which discussion is not asked are put, but this is not in that particular category. I am quite willing to let it go through.

Mr. MEIGHEN: I have not heard that the hon. member wishes to speak on it, but for fear that he might, we shall let it stand.

Motion stands.

OCEAN SHIPPING RATES

INQUIRY FOR CORRESPONDENCE

On the Orders of the Day:

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): Mr. Speaker, in relation to the government order having to do with the bonusing of a fleet of steamers, I should like to refer the government to some correspondence in 1921 and 1920, at least. There may have been correspondence in previous years, as I think there was, with the British government in relation to the subject, and especially in relation to the shipping committee, and with the shipping committee itself. I would ask that that correspondence be laid on the table, as it can easily be done, I believe, before the government proceeds on Tuesday.

Mr. GRAHAM: I will bring the matter to the attention of the Minister of Trade and Commerce.

Mr. MEIGHEN: And the Prime Minister.

Mr. GRAHAM: And the Prime Minister.

ALTERNATIVE VOTE

On the Orders of the Day:

Mr. ROBERT FORKE (Brandon): At the close of last session it was understood that a bill would be introduced to provide for the transferable vote in single member constituencies. Does the government intend introducing that bill shortly?

Hon. GEORGE P. GRAHAM (Minister of Railways and Canals): A bill of that nature would be in the hands of the Minister of Justice (Mr. Lapointe), and if my hon. friend will put his question when that minister is present I am sure he will receive a reply.

OLD AGE PENSIONS

On the Orders of the Day:

Mr. WOODSWORTH: Does the goverment propose bringing down any legislation this year in regard to old age pensions?

Mr. GRAHAM: I am not in a position to say.

CRIMINAL CODE AMENDMENT—PRINTER'S LIABILITY

Mr. A. W. NEILL (Comox-Alberni) moved the third reading of Bill No. 3, to amend the Criminal Code (Printer's Liability).

Motion agreed to and bill read the third time and passed.

DIVORCE

EQUALITY OF GROUNDS FOR RELIEF AS BETWEEN THE SEXES

Mr. JOS. T. SHAW (West Calgary) moved the second reading of Bill No. 4, respecting Divorce.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Perhaps my hon. friend would allow this motion to stand until the Minister of Justice (Mr. Lapointe) is in the House. I will undertake to see that he has an early opportunity of going on with it.

Mr. SHAW: Will the Minister of Justice be in the House to-morrow?

Mr. MACKENZIE KING: I expect he will be here to-morrow. He was at Washington yesterday and I think he will be back in the city before the close of to-day.

Mr. SHAW: I am perfectly willing to accommodate the Prime Minister in his

request, but this is the second occasion on which I have been asked to let this matter stand. I want it to be abundantly clear, however, that I desire that the House shall have the fullest opportunity to discuss the matter, and that there shall be ample opportunity also to put it through its various readings, provided it meets with the approval of the House.

Order stands.

YUKON QUARTZ MINING ACT AMENDMENT

On the Order:

Second reading of Bill No. 6, to amend The Yukon Quartz Mining Act.—Mr. Black (Yukon).

Right Hon. W. L. MACKENZIE KING (Prime Minister): The Minister of the Interior (Mr. Stewart, Argenteuil) is not here at the moment and perhaps my hon. friend would also permit this bill to stand for the present. I expect the minister here tomorrow.

Mr. GEORGE BLACK (Yukon): I am willing to have the matter stand, but it is my intention to move that it be referred to the committee on Mines and Minerals, as was done with a similar bill last session. If that were done it could be considered in detail; and I am inclined to think that the Minister of the Interior would take the same stand.

Order stands.

MOUNTAIN FREIGHT SCALE

On the Order:

Resuming the adjourned debate on the proposed resolution of Mr. Kennedy (West Edmonton), That, in the opinion of this House, the mountain freight scale should be abolished in so far as it is reflected in standard mileage rates, class rates and commodity rates.

Mr. SPEAKER: Is it the pleasure of the House to adopt the motion?

Some hon. MEMBERS: Carried.

Some hon. MEMBERS: Lost.

Mr. SPEAKER: In my opinion the nays have it; I declare the motion lost.

TORONTO TERMINALS RAILWAY COMPANY

Hon. GEORGE P. GRAHAM (Minister of Railways and Canals) moved that on Tuesday next the House go into committee to consider the following proposed resolution:

That it is expedient to amend the provisions of section 6 of the act respecting the Toronto Terminals Railway Company, chapter 70 of the statutes of 1924, whereby the Canadian National Railway Company was authorized to issue bonds, debentures or other securities to an amount not exceeding seven million dollars, in addition to the issue authorized by subsection two of the section enacted thereby; and to provide that such bonds, debentures or other securities may be used,—

(a) in the purchase at par of securities issued by the Terminals company not exceeding, together with the securities purchased under the provisions of subsection two, one-half of the total securities to be issued by the Terminals company for the purpose of its undertaking;

(b) in defraying the cost of portions of the said viaduct and works, which will not be included in the works to be owned by the terminals company, and will have to be constructed for or by the Canadian National Railway Company itself.

He said: His Excellency the Governor General, having been made acquainted with the subject matter of this resolution, recommends it to the favourable consideration of the House.

Motion agreed to.

SUPPLY

CUSTOMS AND EXCISE

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

Customs and Excise.—salaries and contingent expenses of the several ports in the Dominion, including pay for overtime of officers, notwithstanding anything in the Civil Service Act—and temporary buildings and rentals, $6,366,235.

The CHAIRMAN: Is it the pleasure of the committee that this vote be taken item by item?

Mr. MEIGHEN: Mr. Chairman, I certainly think it should be taken item by item. What is the principle in the construction of these estimates? How is it that some departments can lump a whole lot of items together, while others systematically specify each item? Is it just because of the ingenuity of the minister?

Hon. JACQUES BUREAU (Minister of Customs and Excise): Mr. Chairman, I should not like to claim the fathership of this ingenuity. I have been looking at the estimates for a number of years back, I find it has always been done in this way, and I could see no reason, neither could the officers of the department, why we should change it. This item covers various ports of the Dominion, and we can give any details when required. Everything appears in the Auditor General's report. I suppose the explanation that will be required of this item is the apparent increase of over half a million dollars, from $5,799,561.59 in 1924-25, to $6,366,235. Last night I was asked if the reorganization in the Department of Customs had taken place. My answer was that it had taken place in the outside service, but not in the inside service. Civil government last night covered the inside service. This item covers the outside

service. The explanation of the increase is that in the previous year there was a bonus paid to the employees, they receiving, in addition to their regular salary, a bonus which was not charged to Customs and Excise, but was paid, as I explained last night, by the Finance department. In the reorganization the bonus has been absorbed, and we are paying an amount of $586,223.29. By the reorganization the amount which we have added is not quite as large as the amount which was paid when we paid the bonus. The saving by the absorption of this bonus and the reorganization is the difference between the amount I have just stated, $586,223.29, and $566,673.41.

Mr. CALDWELL: Was the bonus not included in the $5,799,000 last year, or from what source was it paid?

Mr. BUREAU: By the Finance department. It was not charged to the Customs department.

Mr. KENNEDY (Glengarry and Stormont): What was the amount of the bonus paid last year?

Mr. BUREAU: The amount was $586,223.29.

Mr. KENNEDY (Glengarry and Stormont): Has that all been absorbed?

Mr. BUREAU: All but $20,000. The amount of the increase, as my hon. friend will see, is the amount of salaries paid without bonus; that is, we have absorbed this amount less $20,000, the difference between $586,223.29 and $566,673.41.

Mr. CALDWELL How much has been paid in superannuation allowances to those who have retired during the year?

Mr. BUREAU: I promised last night that a list would be brought down of those who were superannuated and retired, showing the amounts they received at the time of their superannuation or retirement. We have the list, but it is not totalled. When it is completed I will lay it on the table.

Mr. CALDWELL: For the purposes of comparison it would be useful if this table were inserted in the record at this point.

Mr. BUREAU: It will have to be made up in a hurry and will be subject to correction.

Mr. ARTHURS: Can the minister give us approximately the percentage cost of the collection of customs during the last three or four years?

Mr. BUREAU: The best years are after the consolidation took place; that would give us only 1922-23 and 1923-24. In 1922-23 it cost 2.58 per cent; in 1923-24 it cost 2.49 per cent. The total collected in 1922-23 was $279,229,466.71, and in 1923-24 $298,721,419.55.

Mr. ARTHURS: How will those figures compare in the minister's opinion with those for the present year?

Mr. BUREAU: It is very hard to tell my hon. friend as the year in not concluded yet. I would have to get the percentage for the ten months that have expired.

Mr. ARTHURS: Is the minister fortunate or unfortunate when he has the excise attached to the customs?

Mr. BUREAU: It is rather debatable. I think it is the minister's misfortune and the country's good fortune.

Mr. CALDWELL: I think a more useful comparison would be a statement of the percentage cost of collection now as against that of the time prior to the amalgamation of the two departments.

Mr. BUREAU: I could give my hon. friend the figures for the Customs department, but not separately for Inland Revenue, which now takes the name of Excise.

Mr. CALDWELL: I thought it would be useful to know whether the amalgamation of these two services had cheapened the cost of operation.

Mr. BUREAU: I think I can show my hon. friend that it has. In 1914-15 the percentage of cost for Customs alone was 4.76, and in succeeding years the percentages were as follows: 1915-16, 3.55; 1916-17, 2.54; 1917-18, 2.51; 1918-19, 3.13; 1919-20, 2.48; 1920-21, 3.36; 1921-22, 3.22. That was the last year the two departments were separate.

Mr. KENNEDY (Glengarry and Stormont): The minister has not the figures of the percentages for inland revenue?

Mr. BUREAU: No, they have not been tabulated. This table of percentage of cost of collection in the Customs department has been prepared annually for years.

Mr. CALDWELL: I simply wanted to know whether the amalgamation had cheapened the cost of collection. If the minister is willing to make the statement that he believes it has, I should regard that as sufficient.

Mr. BUREAU: I honestly believe it has, and the figures show it. In 1914-15 the customs dues collected amounted to $107,179,-

360.33, and the cost percentage was 3:59. In 1924-25 we collected $298,721,419.55—more than double—at a cost of 2.49 per cent.

Mr. CALDWELL: Has the minister been able to reduce the staff as compared with the staff of the two departments before amalgamation?

Mr. BUREAU: Yes.

Mr. CALDWELL: Do you know what the extent of the reduction is?

Mr. BUREAU: No, not from memory.

Mr. CHURCH: In the first paragraph of this item No. 349, there is provision for temporary buildings and rentals, and in that connection I would like to call attention to the conditions in the city of Toronto. There are several buildings devoted to Customs purposes in Toronto. These include the express offices at the Toronto depot, an office at the Union station, and an old warehouse building on Wellington street, formerly a baking powder factory. The people of Toronto have for many years been complaining about the utter lack of, and inadequate, accommodation in connection with customs services and it is the general belief that the revenues would be greater if the facilities provided for the transaction of business were adequate. The administration of the income tax, transferred to the Customs department also comes under this item. The income tax branch in Toronto has been located in the old post office on Lombard street but it is proposed to be transferred down to Wellington street. With this in view two extra flats adjoining the customs house were rented at $3,600 per year; they were fitted up for the purposes of the income tax staff and they have been vacant ever since.

When I brought this matter up last year the minister referred me to the Minister of Public Works. The present Minister of Customs admitted the lack of accommodation but said the government could not find the money. The Minister of Public Works was in Toronto recently looking over some buildings with the idea of providing additional accommodation. I understand that the old Union station on Front street was visited in this connection, as well as some other buildings. Business men are complaining of the dilapidated condition of the rented buildings now in use; the plant is thoroughly inadequate to handle the $60,000,000 of customs collections in Toronto each year. The old customs building at Front and Yonge streets which was one of the finest buildings in the city from an architectural point of view, was torn down—I do not know why—and a lot at the corner of Bay and Front streets was purchased for $110,000 from the city who gave it to the government at less than commercial rates. I must say that the minister has been doing what he can to give an efficient service to the business men of the city with crippled facilities. Many organizations have been asking the Toronto members to bring this matter up including the city board of trade and other public bodies.

The Liberal Association of the city of Toronto passed a resolution dealing with it. The resolution reads, in part, as follows:

> The present customs house is not only wholly inadequate to care for the business that passes through it, but it is also an eyesore to the people of Toronto, and a liability that is as a millstone around the neck of the Liberal party in Toronto.
>
> And be it further resolved, that not only in the interests of good government, but in the interests of common decency, the Right Hon. Mr. King and his cabinet associates be asked to delay no longer in according to the people of Toronto what in simple justice is their right, a new and adequate customs house.

The resolution was accompanied by a letter from the Liberal excutive from which I quote as follows:

> Toronto does not expect favours. If it ever expected them it has long since passed that stage. But Toronto does expect that its necessities will be cared for at least in same measure. And a new customs house or federal office building is an absolute necessity. Let me point out to you that the customs receipts of Toronto amount to $60,000,000 a year, or more than a million dollars a week, out of a total for the Dominion of $133,000,000 a year, and that the headquarters for the customs house there is a ramshackle old shed of a building with two warehouses half a mile distant from it that cannot and should not be called upon in the matter of accommodation to house the millions of dollars worth of merchandise yearly passing through them, and none of these buildings are suited to the requirements of a town of 50,000, much less a city of half a million people.

I am at a loss to know why the old building at Front and Yonge streets was torn down. The late government tore it down intending to build but a war came on and the financial situation of the country was such that they could not go ahead and put up another building. A great mistake was made in tearing it down; it was a shame. I know that business men, irrespective of party politics, have expressed their appreciation of the work that has been done by the Minister of Customs and Excise and his officials in the department. He has at Toronto a courteous collector and staff; they are doing good work, and the department is being run efficiently. The collection of the income tax has now been added to his department and where are you going to house all these officials? You have the old post office building, and the customs officers are housed

in a lot of old dilapidated, rented buildings, and you have to walk blocks and blocks to find the one you want. The department is well administered and I contend that for a public service and utility of this kind proper accommodation to efficiently transact business ought to be provided. I think the time has passed for any further discussion, and that adequate accommodation ought to be provided now. It will be good business for the department; it will increase the revenue, and do away with the amount that is now being spent in rentals. The department is deriving a revenue from Toronto of $60,000,000, out of a total revenue for the country of about $135,000,000, and I think the quantity of business done in the city justifies the putting up of an up-to-date building not as a luxury but as a necessity. No business concern receiving a revenue of $60,000,000 would do business in such a ramshackle and dilapidated building in a port the size of Toronto. Our business men have been complaining. The minister has been looking into the situation and I hope he will try and induce the Minister of Public Works or the government to give us some degree of satisfaction in the matter of accommodation. The Minister of Customs will find it of benefit to his department to do so, because a lot of revenue is being lost through not having a proper building and people having to run around from one office to another to transact business. It also involves delay for the business men in getting their goods out; they have to go from unit A to unit B, along Wellington street and uphill and down dale before they finally get their goods out.

Mr. BUREAU: If my hon. friend will allow me first to answer my hon. friend from Victoria and Carleton (Mr. Caldwell), who asked me the total amount paid on account of retirements and superannuation from the department during last year, one of the officers of the department has made a rough calculation, which is, of course, subject to correction, which shows that the total superannuation allowance of officers at ports retired under the Calder Act during the last year was $49,551.57. This is, of course, subject to correction. I do not want to bind the officers to a hasty calculation made on the floor of the House.

Replying to my hon. friend from North Toronto (Mr. Church): He has put three questions. First, what was the revenue derived from the port of Toronto during the last fiscal year; secondly, what is going to be done to the building on Wellington street; and thirdly, what is going to be done about new office accommodation in Toronto. I may say that a more important question than either of the ones I have enumerated, and one that I was going to ask him to answer, and this goes really to the root of the whole trouble, is why was the old customs house in Toronto torn down? Part of it is left standing, and as my hon. friend has said, it has been my privilege to visit Toronto and examine the offices to see if there was any way of improving conditions and facilitating the service, with a view to securing greater efficiency from proper accommodation. From what I have seen of the exterior of the old custom house, the part that is left, I deplore that the building was ever torn down, because the part that is left, which is now used by the express, is one of the best buildings for the custom house officers in the whole city of Toronto. I do not see how you could justify the tearing down of that building, and am I to assume the burden of the difficulties which have followed from tearing it down? I do not think it would be fair to blame me for that. I admit that the conditions in Toronto are bad, but I must say that it is due to the fact that the old building, which was a good and substantial building, was torn down. My artistic taste may not be as good as that of others, but judging by the carvings and stonework on the part that is left, it struck me that the old building must have been a very fine one, and I do not see how you can justify tearing it down.

Mr. ARTHURS: Was it torn down before the war?

Mr. BUREAU: During the war, in 1914, I think.

Mr. HOCKEN: In 1918.

Mr. BUREAU: In what month did they start tearing it down?

Mr. HOCKEN: Towards the end of the year.

Mr. BUREAU: I stand corrected. At all events I did not tear it down, and this government did not tear it down. Let me now give my hon. friend the revenue from the Toronto office. The figures are as follows:

Year	Customs Entries	Customs Revenue	Excise Entries	Excise Revenue
1922-1923 . .	266,239	$28,842,403 59	50,403	$28,481,660 09
1923-1924 . .	283,738	$29,886,074 36	49,544	$28,375,820 00

Mr. ARTHURS: How does that compare with the rest of Canada?

Mr. BUREAU: I can compare those figures with those of any of the biggest ports, Vancouver, for instance, or Montreal. The corresponding figures for Montreal and Vancouver are:

Year	Customs Entries	Customs Revenue	Excise Entries	Excise Revenue
		Montreal		
1922-1923 . .	253,731	$32,307,801 45	58,326	$54,456,503 99
1923-1924 . .	271,207	$30,900,360 76	59,440	$60,176,645 17
		Vancouver		
1922-1923 . .	92,738	$11,267,929 90	11,859	$ 4,441,329 86
1923-1924 . .	99,744	$11,489,291 77	14,299	$ 5,240,605 23

My hon. friend can find these figures, I think, in the Auditor General's report. Toronto would average, I am told by the officers who are more acquainted with the details, about 20 per cent of the total.

Mr. CALDWELL: Just on that point, are these figures in dollars the value of the goods entered or the amount of revenue collected?

Mr. BUREAU: In the case of customs it was the amount of duty that was collected, and in the cases of excise the amount of excise taxes and duties that were paid, the amounts being collected by the department at the various points.

Mr. CALDWELL: To go back to the other matter I was discussing. I asked for the amount of superannuation paid during the year and it was given as $49,551.57, but the saving by absorbing the bonus was something less than $20,000 last year. Therefore we have paid out in this department nearly $30,000 more than we did last year. This illustrates the necessity of getting these estimates before a committee or, as an hon. member suggested, of printing and distributing the detailed information. If this were done it would, I think, save a good deal of time in committee of the Whole. What I should like to know in this connection is how much was paid into the superannuation fund by those persons who were superannuated in this department.

Mr. BUREAU: I am not in a position to give my hon. friend that information. The amounts paid for superannuation are kept in the Finance department; the various departments are not in possession of those details.

Mr. CALDWELL: I realize that, but if we are going to discuss the estimates or pass legislation intelligently we should have this information. I am not blaming the minister because he has not got the information, but the lack of it illustrates the need for fuller details than we are now able to get in committee of the Whole. When the superannuation bill passed last year I was in committee at the time, but I fully prepared myself to discuss the measure when it went through. I should like to have the information for which I have asked at some future time if it can be secured. I refer to the amount paid in by any of those officers who have been superannuated. I think a great many hon. members believed last year that civil servants were paying enough into the fund to meet the expenses of superannuation when superannuation became due. However, this is not the case. I was going to say it falls short of doing that by 95 per cent—that is, I doubt if members of the civil service pay in more than five per cent of the amount they draw out in the way of superannuation. I may be a little out in the statement but that is my opinion. For instance we will take a man who enters the service at the age of twenty, at a pretty low salary. His stipend is augmented as time goes on and he retires with a pretty good salary. I understand he could retire at the age of fifty after thirty years' service.

Mr. BUREAU: No, at the age of sixty-five.

Mr. CALDWELL: I understand he can retire after thirty years' of service no matter what his age. I think the minister will find that I am right. He can retire after thirty years in the service or at the age of sixty-five.

Mr. BUREAU: If the employee is physically incapacitated he can be retired after thirty-five years' service; otherwise, not until he is sixty-five years of age. There is a special provision under which an employee who possesses special qualifications can be retained until he is seventy-five provided he is physically sound.

Mr. CALDWELL: I should like the minister to be positive.

Mr. BUREAU: I am as positive as I can be of anything.

Mr. CALDWELL: We will say the salary of the employee is $1,500, I think that will cover a great many cases. Well, he pays in five per cent of his salary during his term of office. That would be $75 per year which, paid in for thirty years, would represent a total of $2,250 he had paid into the fund. If his salary average $3,500 for the last ten years of his service he would draw one-fiftieth of that amount multiplied by the number of years he had been in the service, whereas he would only have contributed $2,250 during the whole term of his employment. I think it is abundantly clear that there must be an immense sum of money contributed from the public treasury in order to provide for the superannuation of members of the civil service. Therefore, I think we should have this particular information, and I should like to ask

the minister if he will secure it for us from the Finance department before his estimates are passed.

Mr. BUREAU: I am neither ready nor willing to engage in a financial discussion at this stage. My hon. friend has only put one side of the question.

Mr. MEIGHEN: Six o'clock.

Mr. BUREAU: My hon. friend supposes that every man who has paid into the superannuation fund and is not now in the service has drawn superannuation. Let me remind my hon. friend that the fund rests on an actuarial basis. Further, my hon. friend is under the impression that in the case of a man who paid into the superannuation fund for thirty or thirty-five years and then died the superannuation went to his family. But the fact is that in the past the money remained in the fund; his widow or family did not draw superannuation.

Mr. CALDWELL: Just there, does not the widow get the superannuation?

At six o'clock the House adjourned, without question being put, pursuant to rule.

Thursday, February 26, 1925.

The House met at three o'clock.

PRIVATE BILLS

FIRST READINGS

Bill No. 10, respecting The London Mutual Fire Insurance Company of Canada and to change its name to London Fire Insurance Company of Canada—Mr. Hocken.

Bill No. 11, to incorporate Dominion Chartered Customs House Brokers Association—Mr. McMaster.

Bill No. 12, respecting The Toronto, Hamilton and Buffalo Railway Company—Mr. German.

Bill No. 13, respecting a patent of West Virginia Pulp and Paper Company—Mr. Jacobs.

Bill No. 14, respecting a patent of Edgeworth Greene—Mr. Jacobs.

Bill No. 15, respecting a patent of Blair Engineering Company of Canada, Limited—Mr. McMaster.

INTERNATIONAL CONVENTIONS

LAKE OF THE WOODS AND RAINY LAKE LEVELS, AND BOUNDARY DEMARCATION

Right Hon. W. L. MACKENZIE KING (Prime Minister): I beg to lay on the table a copy of a convention and protocol between His Britannic Majesty, in respect of the Dominion of Canada, and the United States, for reglating the level of the lake of the Woods, and of identical letters of reference submitting to the International Joint Commission certain questions for the regulation of the levels of Rainy lake and other upper waters; signed at Washington, the 24th day of February, 1925. Also, a copy of a convention between His Britannic Majesty, in respect of the Dominion of Canada, and the United States, for the further demarcation of the boundary between Canada and the United States; signed at Washington the 24th day of February, 1925.

Mr. MACKENZIE KING moved:

That 500 copies in the English language and 300 in the French language of the convention and protocol between His Britannic Majesty in respect of the Dominion of Canada and the United States for regulating the levels of the lake of the Woods, and identical letters of reference submitted to the International Joint Commission on certain questions as to regulation of the Rainy lake and other upper waters, signed at Washington on February 24, 1925, be printed forthwith, and that rule 74 in relation thereto be suspended.

Motion agreed to.

Mr. MACKENZIE KING moved:

That 500 copies in the English language and 300 in the French language of the convention between His Britannic Majesty in respect of the Dominion of Canada and the United States for the further demarcation of the boundary between Canada and the United States, signed at Washington on February 24, 1925, be printed forthwith, and that rule 74 in relation thereto be suspended.

Motion agreed to.

CROWSNEST PASS AGREEMENT

JUDGMENT OF THE SUPREME COURT OF CANADA

Hon. GEORGE P. GRAHAM (Minister of Railways and Canals): I beg to lay on the table of the House a copy of the formal judgment and reasons for judgment of the Supreme Court of Canada in the matter of the restoration of the Crowsnest pass rates, and the general order of the railway board disallowing the tariffs of the Canadian Pacific and of the Canadian National Railway Companies.

Mr. MEIGHEN: May I suggest to the minister that it would be of great interest to the House if he would indicate briefly what the judgment is?

Mr. GRAHAM: Probably, stating it in the words of a layman, I might not state it exactly, so I shall read a substantial part of the judgment:

Question 1. Whether, as a matter of law, the board is empowered, under the jurisdiction conferred upon it by the Railway Act, or otherwise, to authorize rail-

way rates upon the railway of the Canadian Pacific Railway Company in excess of the maximum rates referred to in the Crowsnest Pass Act, being chapter 5, 60-61 Victoria, Statutes of Canada, and in the agreement therein referred to, upon the commodities therein mentioned.

Answer. No.

Question 2. If the court shall be of the opinion that the Crowsnest Pass Act or agreement is binding upon the Board of Railway Commissioners for Canada, then, according to the construction of the Crowsnest Pass Act, section 1, clause (d), and the agreement made thereunder,

(a) I. Are the rates therein provided applicable to traffic westbound from Fort William and from all points east of Fort William now on the Canadian Pacific Railway Company's railway;

Answer. No.

(a) II. Are such rates confined to westbound traffic originating at Fort William and at such points east of Fort William as were, at the date of the passing of the Act and (or) the making of the agreement, on the company's line of railway?

Answer. Yes.

(b) Are such rates applicable to traffic originating at points east of Fort William which were, at the date of the passing of the Act and (or) of the making of the agreement, on any line of railway owned or leased by or operated on account of the Canadian Pacific Railway Company?

Answer. In order that the traffic provided for by clause (d) should fall under that clause, it must originate at Fort William or some point east thereof which at the date of the agreement was "on the company's railway."

(c) Are the rates therein provided applicable to traffic destined to points west of Fort William which are now on the Canadian Pacific Company's railway or on any line of railway owned or leased by or operated on account of the Canadian Pacific Railway Company?

Answer. In order that the rates prescribed in clause (d) should apply, the destination of traffic otherwise within that clause must be a point which was at the date of the agreement "on the company's main line or on (some) line of railway throughout Canada owned or leased by or operated on account of the company."

(d) Are such rates confined to traffic destined to points west of Fort William which were at the date of the passing of the act or the making of the agreement on the Canadian Pacific Railway Company's railway or on any line of railway owned or leased by or operated on account of the Canadian Pacific Railway Company?

Answer. Yes.

Question 3. Whether as a matter of law the board is empowered under the jurisdiction conferred upon it by the Railway Act or otherwise to authorize rates upon the Canadian Pacific Railway on grain and flour from all points on the main line, branches or connections of the company west of Fort William to Fort William and Port Arthur and all points east beyond the maximum rates specified in the Crowsnest Pass Act and agreement and referred to in Chapter 41, Statutes of Canada (1922)?

Answer. No.

Mr. MEIGHEN: Is the judgment unanimous?

Mr. MACKENZIE KING: I think I can answer my right hon. friend. The judgment is prepared by the Chief Justice and is concurred in by Justices Duff, Mignault, Rinfret and Newcombe.

[Mr. Graham.]

Mr. MACLEAN (York): When is that decision likely to be appealed to the Judicial Committee of the Privy Council?

Mr. LAPOINTE: I do not think I can answer my hon. friend at this date.

Mr. GRAHAM moved:

That 2,000 copies in the English language and 400 copies in the French language of the formal judgment and the reasons for judgment of the Supreme court in the Crowsnest pass rates matter laid on the table of the House to-day, be printed forthwith for distribution to senators and members and for bound sessional papers, and that rule 74 be suspended in relation thereto.

Motion agreed to.

SUPREME COURT ACT AMENDMENT

Hon. ERNEST LAPOINTE (Minister of Justice) moved for leave to introduce Bill No. 16 to amend the Supreme Court Act.

He said: The purpose of the amendment is to change the date of opening of the October sitting from the second to the first Tuesday. This is to meet the wishes of the members of the court.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

HUDSON BAY RAILWAY

Mr. BIRD:

1. How many miles of the Hudson Bay railway have been restored to a sound operating condition?
2. What was the total amount expended on the repair of the Hudson Bay railway during the years 1923 and 1924?

Hon. Mr. GRAHAM:

1. 214 miles have been repaired and put in condition for the present service.
2. $413,222.13.

PUGWASH BUOY SERVICE

Hon. Mr. BAXTER:

1. Was the service of buoys at Pugwash, Nova Scotia, taken from Frank Seaman and given to Hanford Van Ember?
2. If so, why was this change made, and when?
3. Were any tenders asked for such service?
4. If so, how, and what tenders were received?
5. On whose recommendation was the change made?

Hon. Mr. CARDIN:

1 and 2. Mr. Frank Seaman had a contract for the maintenance of the buoy service at Pugwash, N.S., which terminated on July 2, 1924. The amount paid under the contract

was $100 per annum. A new contract for the same amount was made for the maintenance of the same service with Mr. Hanford Van Ember.

3. No.

4. See answer to No. 3.

5. The Minister of Marine and Fisheries.

WHEAT RUST INVESTIGATION

Mr. GOULD:

1. How many civil servants are engaged in investigational work on wheat rust?

2. How many workers have been chosen since vote No. 418 was passed whose salary is chargeable to the vote?

3. Were all appointments made through civil service examinations?

4. Did any United States scientists or acknowledged authorities on wheat rust meet Canadian departmental heads for a conference on rust at Winnipeg during 1924?

5. If so, how many, and upon whose invitation did they come?

6. What amount of the said vote No. 418 was expended on account of the conference?

7. What amount of this vote was expended in purchase of land, and the building of needful winter quarters for preservation of host plant of the rust germ through the winter season?

8. Was total amount of vote No. 418 expended?

Hon. Mr. MOTHERWELL:

1. Four.

2. None.

3. Three of the present staff were appointed after competition by the Civil Service Commission, the fourth was appointed before the outside service came under the commission's jurisdiction.

4. Yes.

5. Four. They were invited by the Department of Agriculture and the Research Council of Canada jointly.

6. None.

7. None of this vote has yet been expended and none will be expended in building winter quarters for the preservation of the host plant of the rust germ during the winter season. It is anticipated, however, that some eighty per cent of this appropriation will be expended by March 31, 1925, in the erection of greenhouses and the purchase of equipment for cereal rust laboratory which it is proposed to erect on the grounds of the Manitoba Agricultural College at Winnipeg this coming summer.

8. Answered by No. 7.

*CANADIAN GOVERNMENT MERCHANT MARINE

*Mr. BOYS:

1. How many ships are there in the Canadian Government Merchant Marine?

2. What are the name, tonnage, length, capacity and horse-power of each?

Hon. Mr. GRAHAM: If my hon. friend will look at last year's report of the merchant marine he will find a list of the names of the ships, their tonnage, and so on.

Mr. BOYS: It is very convenient to have the information in short form rather than in a bulky report.

Mr. GRAHAM: The report is contained in about ten pages. However, I can get the information, I think.

SUPERANNUATION ACT RETURNS

On the Orders of the Day:

Mr. T. W. CALDWELL (Victoria and Carleton): Mr. Speaker, I should like to ask the government if a return has been tabled giving the number of superannuations under the Superannuation Act of last year, the amount paid, and the amount contributed during the year by those who were superannuated. I find that section 14 of the act provides that this return shall be laid on the Table within fifteen days after the opening of parliament Yesterday when the estimates were before the House we wanted this information, but it was not available. If this return were brought down the information would be made available to hon. members.

Mr. ROBB: If it is related to the Department of Insurance I will have the question directed to the Superintendent of Insurance and try to get an answer for my hon. friend.

Mr. GRAHAM: The routine in the matter is that the recommendation or suggestion is made by the department; then it must be approved by the Civil Service Commission; then it goes to the Treasury board and is finally approved by council. In the discussion of a day or two ago it was pointed out that the Civil Service Commission was now preparing a list of all superannuations as well as of retirements under the Calder Act.

Mr. CALDWELL: May I read section 14 of the act? I think it will clarify the situation:

> The minister shall lay before parliament within fifteen days after the commencement of each session thereof:—
>
> (a) a statement of all superannuation and retiring and withdrawal allowances granted during the last fiscal year under the terms of this act, giving the name and rank of each person superannuated or retired, his salary, age and length of service, the allowance granted to him on retirement, the cause of his superannuation and whether the vacancy has been subsequently filled, and if so, whether by promotion or by new appointment, and the salary of the new incumbent;
>
> (b) a statement of all allowances granted to widows, children or other dependents of civil servants under this act during the said year, showing the name, age and sex of each person to whom any such allowance has been granted; and the name, age at death, salary

and length of service of the civil servant to whose widow, children or other dependents such allowance or allowances have been granted;

(c) a statement showing the amount received as contributions and the amount paid as allowances during the said year under this act together with such further information as may be prescribed by the Governor in Council by regulation made under this act.

The question has already been asked two or three times during the discussion of estimates. If this return were tabled it would obviate the necessity of repeating the question when the estimates for each department come up.

Mr. GRAHAM: What is the interpretation of the word "Minister?" Is that the Minister of Finance or the minister of each department?

Mr CALDWELL: The act defines "Minister" as the Minister of Finance.

Mr. BELAND: I may point out to my hon. friend that the act came into force after the last session of parliament, and the report which is mentioned in section 14 applies to the fiscal year. The fiscal year during which the act came into force has not yet come to an end. It terminates only on the 31st day of March next.

Mr. CALDWELL: This will not become effective, then, until next session?

Mr. MACKENZIE KING: A return along the line which my hon. friend has requested is now being prepared and will be brought down as soon as completed.

UNEMPLOYMENT IN CALGARY

On the Orders of the Day:

Mr. WILLIAM IRVINE (East Calgary): I rise to ask the government if it has taken any action on the telegram received from Mayor Webster of Calgary, in which he stated that many of the unemployed there who were in a destitute condition were immigrants who had not been long enough in the community to come within the scope of the relief policy adopted by the city?

Hon. JAMES MURDOCK (Minister of Labour): That telegram was replied to, and reference of the matter mentioned has been made to the Immigration department. It is expected that we will have additional information for Mr. Webster shortly.

SOLDIERS' PENSIONS

FORTHCOMING LEGISLATION ON CANTEEN FUND AND CIVIL RE-ESTABLISHMENT

On the Orders of the Day:

Mr. W. F. MACLEAN (South York): I would like to ask the Minister of Soldiers' Civil Re-establishment what he has to say with regard to the following suggestion which has been made to me in the form of a telegram:

Please strenuously oppose grant of $100,000 from veterans' canteen funds to Veterans' Alliance.

Is it the intention of the minister to dispose of the fund in that way?

Mr. GRAHAM: Who sent the telegram?

Mr. MACLEAN (York): Mr. Davidson, president of the Riverdale Great War Veterans' Association, of my constituency.

Hon. H. S. BELAND (Minister of Soldiers' Civil Re-establishment): I understand the question to be whether the government intends to introduce legislation to apportion $100,000 of the canteen fund to the Veterans' Alliance?

Mr. MACLEAN (York): Yes.

Mr. BELAND: There is no such provision in the bill.

Mr. MACLEAN (York): Then why is there this unrest over it? Has any order in council been passed in the matter?

Mr. BELAND: No order in council having any relation to the canteen fund has been passed by this government. There is no provision in the legislation which is contemplated that relates to the apportionment of $100,000 to the Veterans' Alliance in Canada.

Mr. MEIGHEN: I am very anxious to be clear in the matter. As I understand the minister, he says that the government does not propose to introduce any legislation similar to what is embodied in the act of last year?

Mr. BELAND: The government does, yes.

Mr. MEIGHEN: Oh, the government does?

Mr. BELAND: Yes.

Mr. MACLEAN (York): But not along the line of the suggestion in this telegram?

Mr. BELAND: Not at all. There was no provision in the bill of last year for the payment of $100,000 to the Dominion Veterans' Alliance.

Mr. ARTHURS: And no order in council has been passed along similar lines?

Mr. BELAND: No.

Mr. R. B. HANSON (York-Sunbury): I would like to ask the government if the appointment of a special committee on pensions and soldiers' civil re-establishment is contemplated for the present session?

Mr. BELAND: No.

Mr. J. A. CLARK: (Burrard): When is it contemplated that legislation in regard to pensions, soldiers' civil re-establishment and such other matters will be introduced?

Mr. BELAND: The legislation to which my hon. friend refers will be introduced very shortly. Probably notice will be given next week.

BETTING INFORMATION

On the Orders of the Day:

Mr. T. E. ROSS (North Simcoe): I would like to ask the government whether they intend at this session to bring in legislation similar to that passed in this House two years ago and amended in the Senate dealing with the handbook evil.

Hon. ERNEST LAPOINTE (Minister of Justice): Yes, it is the intention of the government to reintroduce this year the amendment to the Criminal Code which was adopted by the House of Commons two years ago and rejected by the Senate, dealing with the subject mentioned by my hon. friend.

DIVORCE

EQUALITY OF GROUNDS FOR RELIEF AS BETWEEN THE SEXES

Mr. JOS. T. SHAW (West Calgary) moved the second reading of Bill No. 4, respecting divorce.

He said: I had the opportunity and the privilege last year of presenting to the House a resolution incorporating the provisions of this bill. The resolution was not disposed of by the House. Subsequently I introduced a bill founded on the resolution; that, however, was not disposed of either, and I now take the earliest opportunity of presenting for the consideration of the House this year a bill designed to establish equality as between husband and wife so far as the grounds for divorce are concerned. In order that the situation may be properly appreciated let me sketch very briefly something of the history of divorce in Canada.

By our federation act of 1867 the subject of divorce was assigned exclusively to the federal parliament. There was another provision in the British North America Act by which the laws in force and the courts in operation in each of the confederating provinces were to continue in force and operation until such time as they were repealed or altered by competent authority. There was a further provision by which upon the expected application of further provinces to join in the union the same provision should apply, namely, that their laws and their courts should be continued until similarly repealed or altered.

Now, having these provisions in mind, I want to sketch the situation as it existed at confederation. Previous to 1867 Ontario and Quebec had no divorce courts. Consequently as to divorce these provisions that I have mentioned had no application to these two provinces. I should say also that the Dominion government has never in any case passed any general divorce law, and the result is that Ontario and Quebec in divorce matters stand exactly in the position they were in prior to confederation.

The provinces of Nova Scotia and New Brunswick each had divorce courts prior to 1867. These courts granted divorce to men and women on equal grounds; that is the grounds open to the husband were likewise open to the wife; there was no distinction as between the sexes. The grounds in the province of New Brunswick were adultery, impotence and consanguinity. To these three grounds which prevailed in the province of New Brunswick there was a fourth added in Nova Scotia, namely the ground of cruelty; and so the situation is that the divorce laws of Nova Scotia and New Brunswick which were passed prior to confederation still persist to this day, and both sexes are on a basis of absolute equality.

The first province to join confederation, was the province of Manitoba in the year 1870. Prior to its incorporation, the district of Assiniboia, of which it formed a part, had passed an ordinance that the laws of England as they existed in the year 1870 should be applicable in that area, and so the result was that when Manitoba joined confederation in 1870, the laws of England as they existed in 1870, including, of course, the law with respect to divorce, applied in that province.

The province of British Columbia joined confederation in 1871, but previous to joining confederation the then colony of British Columbia had adopted the English law as it stood in 1858; so it entered the union preserving the law of England on divorce as of the year 1858.

The province of Prince Edward Island joined confederation in 1873, but previous to confederation it also had a court operating in divorce matters, and that court has been preserved, although I think but seldom used.

The provinces of Saskatchewan and Alberta, which joined confederation in 1905, had taken the law of England as it stood in the year 1870. And so, shortly, the result is this: that to-day the provinces of Ontario and Quebec have no divorce courts, while Nova Scotia, New Brunswick and Prince Edward Island have each divorce courts, before all of which men and women stand exactly upon equal

ground; that is, the husband can secure divorce on the ground of adultery alone, and similarly with the wife. The four western provinces take the law of England so far as divorce matters are concerned for all practical purposes as it existed in the year 1870, because there was no substantial alteration of the English divorce law between the year 1858 and the year 1870. So, for the purposes of my argument I say that the divorce law of England as it existed in the year 1870 applies to the four western provinces.

Now what is this English law which is applicable in the four western provinces? May I just put it shortly by stating that whereas the husband can secure a divorce on the ground of adultery alone, the wife must prove something further; she must prove not only adultery, but in addition either one of two things, cruelty, or desertion without reasonable excuse for a period of two years. That is exactly the situation that exists in the province of Alberta to-day. There are other grounds for divorce which are not necessary to this discussion, and to which I shall not refer, but which are included in the British Matrimonial Causes Act of 1857. I trust I have made that clear; that whereas the husband has a right to divorce upon proving adultery alone, the wife in the four western provinces must prove something additional, either cruelty, or desertion for a period of two years without reasonable excuse. Now that is a considerable burden to place upon the wife in any event; and when we come to the interpretation of these words, cruelty and desertion, we find that they are probably more difficult of proof than perhaps most of us appreciate. Cruelty in the ordinary sense of the term we understand, but legal cruelty is something entirely different. The definition of it has come to us from an English court decision given in the year 1790. Let me give in the words of the Ontario appeal court the definition of cruelty:

> To establish cruelty one must show treatment likely to produce or which produces physical illness or mental distress of a nature calculated permanently to affect her bodily health or endanger her reason, and that there is reasonable apprehension that the same state of things will continue.

That is the definition of legal cruelty. That is what the wife in any of the four western provinces of Canada must prove in addition to adultery before she can secure a divorce from the courts in those jurisdictions. One of our Ontario court judges, referring to that definition of cruelty, which he adopted for the purpose of his decision, used these words:

> The law is not in accord with modern views as to the relations between husband and wife. That it is such is to be deplored. Her life may be made a veritable hell upon earth and she is without remedy if robust enough to suffer it all without impairment of her physical health or her mentality.

In Alberta, the chief justice of the appellate court of that province in a decision used these words:

> It has been accepted in England that legal cruelty to support a wife's claim must be such as to cause danger to life, limb or health, present or future. There may be much room for dissatisfaction, but that is a matter which can be easily and effectively cured by the legislature if it desires.

Mr. BEAUBIEN: Must cruelty be established by the wife in any other parts of the Dominion than the four western provinces?

Mr. SHAW: No. Then we come to the other ground. Suppose that the wife, instead of relying upon adultery and cruelty, is forced to rely upon a combination of adultery and desertion. We find that great difficulties are imposed upon her there, because she must prove desertion for a period of two years, and she must prove that it is without reasonable excuse.

Mr. FORKE: Would the hon. member state what are the grounds for divorce in Ontario and Quebec?

Mr. SHAW: Ontario and Quebec have no divorce courts. The applicant for divorce in those two provinces must come to the Parliament of Canada for relief, and the Parliament of Canada is, of course, empowered to grant relief on any terms that it sees fit. It undoubtedly grants relief to the parties, either husband or wife, on terms of equality. Divorce has been granted by parliament on the ground—

Mr. BAXTER: I rise to a point of order. I do so in the hope that it will be beneficial to some of us. We would like to hear what I have no doubt is a very instructive address, but owing to the disorder prevailing in the chamber we are unable to follow the hon. gentleman's remarks.

Mr. SPEAKER: It is, possibly, an exaggeration to use the term "disorder", but there is undoubtedly a great deal of conversation going on. I would ask hon. gentlemen on both sides to kindly listen, and to refrain from conversation. If that is done the hon. member who has the floor will be heard with ease.

Mr. PUTNAM: I understood from the hon. gentleman that in Ontario and Quebec the tribunals have practically unlimited power to grant divorce. How far would the hon. gentleman qualify, if at all, my interpretation of the situation?

Mr. SHAW: I have already stated that there are no divorce courts operating in the provinces of Ontario and Quebec.

Mr. PUTNAM: No, but there are grounds for granting divorce.

Mr. SHAW: What is the use of there being grounds for divorce if there are no courts to give effect to the grounds. In the case of these two provinces, as I understand it, the only way an applicant for divorce can secure relief is by coming to the federal parliament and presenting his or her case. Now, as a result of the decisions of the Senate from time to time I think it is fair to state that parliament grants divorces on terms of equality as far as the sexes are concerned. The Parliament of Canada is supreme. It can grant a divorce upon any ground it sees fit, but in actual practice divorce is granted on the ground of adultery, nonconsummation, and various other grounds which are immaterial to my argument at the moment.

Mr. MACLEAN (York): How much does it cost to get relief from the federal parliament in the way my hon. friend has indicated?

Mr. SHAW: If my hon. friend will permit me to go on I shall come to the point in a moment.

Mr. HOEY: In the case of a petitioner for divorce living in the western provinces has he or she the right to petition the Dominion parliament?

Mr. SHAW: Yes, the Parliament of Canada is available to people throughout Canada, regardless of what province they may reside in.

Mr. PUTNAM: If my hon. friend will excuse me, and purely for information, is it true that the divorce committee of the Senate has unlimited discretion in granting a divorce in any case in which the marriage proves to be a hardship—for instance in a case where incompatibility of temperament is shown?

Mr. SHAW: Well, no committee of the Senate has any jurisdiction in the matter at all. As I understand it, the Senate committee hears the evidence and recommends action to the upper house. Even action by the Senate is not adequate unless it is approved by this House.

Mr. PUTNAM: That is technical.

Mr. SHAW: The Parliament of Canada, composed of the House of Commons and the Senate, puts through every divorce bill. It can grant divorce on any ground, so far as I am aware, that it sees fit.

Now, when interrupted by this series of questions, I was about to deal with the subject of desertion, the other ground upon which the wife might secure divorce if it were coupled with adultery. As I pointed out, in that event the wife must prove desertion for a period of two years and without reasonable excuse. The term "without reasonable excuse" allows, as one can easily see, a very wide latitude within which an erring husband can readily escape from the consequences of his conduct.

The purpose of this bill is to remedy these inequalities. It is to put the wife in the four western provinces before the courts of those provinces on exactly the same basis as the husband. And why should it not be so? After all, is not adultery the great cardinal sin against the marriage relationship? Is it not the primary offence which impairs the stability of the home, and is it not the one great offence which interferes with domestic happiness? Therefore, if such relief is granted to the husband, why should it not be equally secured to the wife?

Mr. BROWN: Have the provincial legislatures no powers in this direction themselves?

Mr. SHAW: No, the subject of divorce, as I stated at the outset, is a matter of federal jurisdiction alone. I ask this parliament, why impose this burden on women when it is not imposed equally on men? Why impose it, or allow the imposition to continue, on western women when women in Nova Scotia, New Brunswick and Prince Edward Island are relieved from that imposition? I say it is an injustice to the women in the four western provinces.

From the discussion of last year I take it that there may be two objections raised to this bill. There is first of all the objection raised by those who have religious convictions on the matter, and who feel that under no circumstances should divorce be granted. With those who sincerely hold that view, I of course, have no quarrel, but I do say this: We have divorce now, not only granted by the Parliament of Canada, but granted by the courts of all the provinces of the Dominion except those of Ontario and Quebec. Will you, because of any religious conviction however sincere it may be, deny equality in these courts to women? It seems to me that it is unfair and unjust to do so, and may I—

Mr. BEAUBIEN: Do you not think it would be better to put the man to the same

inconvenience as the woman and compel him to prove cruelty and desertion on the part of the wife?

Some hon. MEMBERS: Oh, oh.

Mr. SHAW: The laughter that has greeted my hon. friend's question is perhaps the best answer to it. I said at the outset that the great cardinal sin against the marriage relationship is the commission of adultery. Why camouflage that situation by asking the husband to prove cruelty in addition? The very proposition contains its own answer.

Now may I in that connection, in urging a plea for equality so far as our western women are concerned read the views of perhaps the greatest liberal of the nineteenth century, I refer to Mr. Gladstone. At the very time this Matrimonial Causes Act, to which I referred as the English law which governs our present four western provinces, was in the course of its passage through the British House of Commons, Mr. Gladstone, although conscientiously opposed to divorce, used this language:

> For my own part I shall always assert the principle of equal rights. It is impossible to do a greater mischief than to begin now, in the middle of the 19th century, to undo, with regard to womankind, that which has already been done in their behalf, by slow degrees, in the preceding eighteen centuries, and to say that the husband shall be authorized to dismiss his wife on grounds for which the wife shall not dismiss the husband. If there is one broad and palpable result of Christianity, which we ought to regard as precious, it is that it has placed the seal of God Almighty upon the equality of man and woman with respect to everything that relates to these rights; and I will offer the utmost resistance to any attempt to induce this House to adopt a measure which, I believe, would lead to the degradation of woman.

In the year 1912 a royal commission was appointed in England for the purpose of investigating the whole of the divorce problem. It was composed of representatives from all walks of life; representatives, I think, of practically all the major religious denominations. It heard evidence from every part of the country and from all available sources, and on this question of the equality of men and women the members of the committee were unanimous in their judgment. I read now from the report of the commission itself:

> Apart from abstract justice the strongest reason for placing sexes on an equality is that, where two standards exist, there is a tendency to accept the lower for both parties. The social and economic position of women has greatly changed in the last hundred, and even in the last fifty years. The Married Women's Property Act, 1882, has given them a new status in regard to property; they engage freely in business and in the professions, and in municipal, educational and Poor Law administrations, and claim equality of treatment with men. In our opinion it is impossible to maintain a different standard of morality in the marriage relations, without creating the impression that justice is denied to women, an impression that must tend to lower the respect in which the marriage law is held by women.

The commission reported to the House definitely, as follows:

> Our conclusion is that no satisfactory solution of the problem which is raised as to the personal relations between husband and wife can be found, except by placing them on an equal footing, and by declaring that, whatever grounds are permitted to a husband for obtaining a divorce from his wife, the same grounds shall be available to a wife in a suit against her husband.

That was the judgment of a royal commission in England in 1912 after some two or three years of the most careful investigation.

Then, in addition to the broad objection on conscientious grounds, the suggestion may be urged that here is the Parliament of Canada available to people alike from every province of the Dominion—to the wife as well as the husband. My answer to that is: I am not sure that the Parliament of Canada should properly concern itself with the granting of divorces. It seems to me that is a function which might more properly be reserved for the courts. But consider the position of a woman who wishes to appeal to parliament to grant her a divorce. Deprived of her husband's support she is likely to be penniless. But in order to properly place her case before parliament she must face a large expenditure. I think that $210 is the initial expense, payable to the Senate, for publication, expensive advertising and other charges of that character. Then she must come to Ottawa and bring her witnesses here. She must also secure legal assistance to present her case. One can readily see that the charge upon this unfortunate woman, especially if she comes from a long distance—as she must,

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coming from western Canada—is such that in very, very few cases indeed is the woman in a position to avail herself of the opportunity. Therefore I think our plain duty in reference to these four western provinces is to grant this relief.

My bill does not seek to disturb the situation in the eastern provinces, does not seek to allow the granting of divorce in Ontario or Quebec further than is allowed at the present time, and does not ask to change the relationship in the Maritime provinces; it simply asks that the woman shall be entitled in the four western provinces to claim her divorce before the courts of those provinces on the grounds of adultery. The divorce law under which our four provinces now operate is the English law as it stood in 1870, but England has changed her law now. In that year a woman was given the right by the Parliament of the United Kingdom to claim a divorce on the ground

of adultery alone. That is all I am asking by this bill.

In conclusion, Mr. Speaker, since last session, since this matter was brought up in parliament last year, I have received resolutions—hundreds of resolutions—from women's organizations approving of this principle. I have received them from the locals of the United Farm Women of Alberta and the other provinces. I have received resolutions of a similar character from the Local Council of Women of my city, and I understand the National Council of Women have made representations along that line to the Prime Minister himself. Hundreds of women's organizations, not only women's organizations but men's organizations also in western Canada, have approved of the principle of this bill. And so I think parliament should now in this case constitute itself a true reflection of what matured public opinion is, at least in western Canada. I therefore recommend to the House that the second reading of this bill be now agreed to.

Mr. C. A. FOURNIER (Bellechasse): Should this legislation be enacted, one cannot help but realize that the tragic extent to which we condone the loosening of the marriage tie is a lowering sign of our times, a great modern evil, a false reasoning threatening our best institutions, striking at our noblest hopes.

Although this bill does not challenge the convictions and feelings of the people whom I have the honour to represent, it involves a general principle that for my part, as a member of this House, I cannot see submitted to parliament without registering my protest. And in so doing, Sir, I ask you and hon. gentlemen to accept my remarks as a starter to establish a fulcrum for reform in voicing righteous sentiments and as a live coal from faith's altar to touch the community's conscience and energize into determined action a purpose long latent in every good heart—the heart that desires that the evil of divorce, with all the wickedness it implies and all the wretchedness it entails, should wither away like the short-lived, fraudulent affections that foster it and linger only as a memory of what was once a mockery of Christian faith, and live and love.

What trespass have we committed, of what sin are we guilty, that we have to face the accusation of divorce at this session? Think of the harm that infects the divorced home, the deceit and defection, the misery without measure, sorrows innumerable, wasted lives, perverted careers, children bereft, their sacred rights of parents' united care parceled out or denied them, husband and wife divided, not by exalted death but by a dry decision, whether of courts or parliament. To what degree this harm is hindering the better impulse of the race, to what extent the sorrows of law widowers and law-widowed wives and forsaken children is increasing, no one knows.

Mr. SHAW: May I suggest to the hon. gentleman?—divorce is not a disease, divorce is a remedy for a disease.

Mr. FOURNIER: In the very case now before the House the remedy sought is for a few affected ones; but the law is offered to all. To what degree this harm is hindering the better impulse of the race, to what extent the sorrows of law widowers and law-widowed wives and forsaken children are increasing, no one knows. To what degrading depth lies the evil which accompanies that harm and sorrow, no one can tell. Legalized lechery, adultery by due process of law, concubinage upheld by the constitution, all aspects of present day divorce, being sanctioned, flourishing in rank growth and their foul affects rise, like the exhalations of a noisome slough, which scatters to the winds the propagating plague that poisons the nation.

Mr. WOODSWORTH: May I ask whether in the opinion of the hon. member, and under these circumstances, or under any circumstances, it is right for this parliament to pass a divorce bill?

Mr. FOURNIER: No.

Mr. SPENCER: Has the hon. member ever protested the passage of any divorce bill in this House?

Mr. FOURNIER: That is exactly what I am now trying to do, and if my hon. friend will possess his soul in patience and listen quietly to what I have to say I shall give him some sentiments to take home with him. Sir, I have not the distinction of belonging to the legal fraternity, but I have no hesitation in declaring from my seat in this House that divorce is contrary to all authority. It is contrary, first, to the law of nature, from which all stable laws must come. I speak not of the nature of brutes, which couple themselves by hazard, but of the nature of men, and as a man speaking to manly men. In the first line of the first page of the law of nature you will find the institution of marriage, which existed before all society. It is anterior and superior to all laws. Civil law can regulate marriage, but marriage is not a simple contract; and the first cry of natural law came from the first cradle. Even Jeremy Bentham, an apostle of divorce, has said:

Marriage for life is the best assorted to the wants of families and the most favourable to individuals.

Marriage is a contract of natural law, unique in its essence. Civil law can regulate it, but never dissolve it.

Divorce is contrary to morals, which all stable laws must respect, follow and sustain. I ask you, Mr. Speaker, can you put morality into marriage by injecting into it a sufficient quantity of legalized adultery? Our law is based on the divorce law in England. Divorce was first granted here for grave cause, and it was looked upon then as a tragedy. To-day it has reached the point of comedy, if not of farce. An hon. gentleman speaking a moment ago referred to England. Does he know that the Protestant Bishop of Rochester said one day to Lord Mulgrave that for ten divorces on the ground of adultery, nine were prepared by the husband with some obliging fellow who would look for Milady and prepare proofs and testimonies for submission to the court of justice? Can you dream of a more immoral law than that which transforms vice into an instrument of procedure and gives it a judicial premium?

Divorce is contrary to politics—that word so dishonoured is interpreted here not in the usual sense which we give to it while speaking of that eternal and confused skirmish disputed between the government and the people; but in its high and useful significance, as the science of keeping the nation in good health. Modern nations drink politics as they drink coffee; they cannot get along without it. The Chinese prefer opium.

Mr. WOODSWORTH: I would ask the hon. member this question: Is not provision for divorce included in the British North America Act?

Mr. FOURNIER: I will answer my hon. friend in a few minutes. Governments ought to have only one mission in dealing with civilized society, namely, to establish order and promote the common welfare by a just distribution of rights and duties. A government is, by its fidelity in fulfilling its mission, the artisan of its good fortune and glory, as it is by its incapacity, its weakness and its prevarications, the source of its own ruin. The duty of a legislator is to recognize marriage as the first of human institutions. A law which in some way regulates evil and consequently admits it, a law which manipulates disorder to manufacture order, and which uses the shining folds of the nuptial dress to drape vice's shoulders, is a law of masquerade and nothing else.

Divorce is also contrary to religion, which is the principle of everything on earth. Christianity raised man above his ignorance and corruption, purified his nature, rendered his will firmer. It taught the world that duty and love, sacrifice and liberty, are one thing under different aspects, and it gave to the individual, by him to the family and by the family to society, virtue which is force, and force which is liberty.

Divorce also wounds and breaks the hearts of many. It ruins the home; it destroys the happiness and sanctity of married life; it depreciates the dignity of womanhood, for she runs the risk of being deserted after having ministered to the pleasures of man. It also wounds the innocent heart of the child and ruins its future prospects. Needless to say, the love of home is eternal; it is co-extensive with the life of the human race; it came with the first and will go out with the last. Home implies affection for others, and besides, it provides the incentive of progress. And being a source of religion, it is the origin of unselfishness; and this, incredible as it may seem, has been the germ of state and political growth.

Divorce constitutes the gravest menace to our institutions, of which home is the very foundation. Home! Who can estimate its sacredness, its tender associations, or the flood of fond memories which its very mention evokes in the mind of the storm-tossed mariner of life? Who knows? Perhaps in prison; perhaps when far away upon a sick-bed, tossed with fever, or when embittered with the reverses of fate, with fortune, friends and hope all gone; perhaps when suffering beneath a cold world's scorn; then the thought of home steals before the mental vision of the weary wanderer and he trembles to tears as he hears again the loving accents of mother's voice and learns once more those never-to-be-forgotten lessons of goodness acquired at her knee.

Home is the verdant spot of recollection; palms and a fountain in a burning desert; a fragrant flower about which like busy bees cling tenaciously the fondest memories of affection, grief oppressed—

Deep as first love and full of all regret.

—as the great Tennyson has so truly said. Thus does home arouse the soul and strike the chord of love, of father, mother, sisters, friends. Nothing but death can quench that strain. What loving and never-dying sentiment binds us indissolubly with our home! How can we eradicate from memory the hallowed place wherein the incense of morning and evening sacrifice rose to the Almighty, the sweet savour of family worship.

Think of the bride, twice wedded, walking the earth smilingly, knowing that still alive upon its surface are two men who have partaken with her of the sacred feast that only one should feed his soul upon. Perhaps this divorce-mill, second-time bride may attend a party somewhere and there behold both her husbands hale and hearty, and she will look upon these once inviolate companions of her connubial hours, and perhaps she will give a hand to each linked in the festive dance. What a spectacle in a civilized world! And we members of parliament are asked to say that that is beautiful!

What shall be said of the children of divorce? God pity them! They will be forced to grow up in the world deprived of the maternal love. I ask hon. gentlemen before they assent to such a bill as this to think of the scenes of childhood, to think of home, never-forgotten, to think of the shrine of the dearest days, the tenderest of recollections, the treasury of our choicest memories, the place that was illumed by mother's smile. As one great poet says, speaking of the youth in the home:

> Ask
> The little child what is home. You will find
> That to him it is the world. He
> Knows no other. Father's love, mother's smile,
> Sister's embrace, brother's welcome, those
> Throw about his home an heavenly
> Halo, and make it to him all-attractive;
> As their home is to the angels. Home!
> It is the blessed spot wherein the prattling child
> Pours out its plaints to mama; and it is the grave
> Of all his sorrows. The placid place
> Where griefs are banished quite and sobs are soothed
> By the sweet lullaby of fond mother's voice.

Such is the home of happy childhood, such is the recollection of the scenes of innocent and happy childhood, and intervening years cannot shut out the deep vibration of those harmonies that tell of faith unsullied and abiding hope.

Sir, what is the remedy for divorce? My own opinion is that you do not have to go to Calgary to get it. It is not far to seek. We must return to the old faith, to the teachings under which this land has grown, favoured beyond all other lands; we must get back to the simple beliefs and to the steadfast faith, to the recognition of the religious undercurrent of life which bears all of worth it has. If a married couple find that they have made a mistake, that couple must suffer for the good of society. It is but another instance of our sentimental morbidity, a product of an individualistic age that we listen to those who claim that an unhappily married couple must be released for remarriage, even if to help them individually the sanctity of the common home and family must be destroyed. The lack of religious recognition in marriages of to-day is a thing of great concern, for when the inevitable trials come, when the matrimonial barque is beset by storms and tempests, one very present help in time of trouble is utterly denied the bewildered matrimonial mariners.

Marriages are made too easily. There is too much deceit and humbug in marriages to-day. If marriage is entered into as a civil contract, it is the lowering of the rite in the minds of all those who acquiesce in such a mechanical and materialistic procedure. If marriage be a civil contract only, it loses half its binding power. We see daily the failure and inadequacy of the civil machinery of life. Laws are imperfect—witness that we have to amend at every session; governments are often a farce and a reproach. We do not regard our obligations to our country as profoundly as we should—witness the reluctance and evasion of the income-tax payers. And if civil obligations are thus of light authority to us, what is to hinder the regarding of marriage, if it is merely a civil act, as being as unjust an imposition as our money payments to the state? Let but the first real disagreement come after the radiance of the honeymoon has sobered down to the garish light of day, and husband and wife are apt to ask the question: "Why should I be bound? What is the marital faithfulness but a load, imposed like taxpaying and jury duty, which every man gets out of if he can, and no one really censures him? The minister who united us did the act dryly and mechanically, and pocketed the fee. What incentive did he give us for not emulating his attitude? The state gave us a license to be man and wife, but what soul has the state?"

Sir, the law, whatever else happens, should stand for the home, teaching its sanctity, insisting on its preservation. Laws cannot do much towards the remedying of the divorce evil; its only reformation must come through home influence, schools, churches and individual conscience. Reform cannot be implanted into the human breast by legislative enactment, but only by an overpowering sentiment and conviction. The home is the first of human institutions. Firm and reliable principles are the result of the home—the Christian home—not only so, but greatness in any form is there enhanced. The excellent in every calling, statesmen, ministers, poets, warriors, ascribe their success to the impulse that was given them in the home. Moral excellence is invariably associated in the superior

mind with home and ability to cherish home —the mark that divides the people into superior and inferior. Wandering tribes have no fixed habitation, and hence they cannot cultivate the solid virtues, such as citizenship, patient and continuous labour, and the setting up of steadfast institutions.

Again. We had a war, and in the fiery crucible of that tremendous struggle much that was vain, much that was unworthy was shrivelled up. It is not necessary to delineate the heroism or the horrors of the war, nor to point out right or wrong; but at a time when fathers and sons were offering their lives, and mothers and daughters were enduring the sorrows that were infinitely harder to bear, the Canadian home was at its highest and noblest. It was a sanctuary from which went faith, fortitude and sacrifice and devotion to preserve the home against our embattled enemies. Its atmosphere was pure and rarified, and our people were on the heights amid death and wounds and the roar of arms. Are we going to let the divorce evil invade our homes, which are the foundation of our institutions. The opportunities for material gain have led away our people to cut down the forests, ravish the mines and impoverish the soil, to get rich quick. We are doing everything with the regrettable result that unseemly customs and opinions have been allowed to spring up and prosper. Of these, divorce is the greatest and most menacing.

Where, Mr. Speaker, are the Dominion Alliance, the Anti-Cigarette League, the Anti-Betting League, the Methodist Alliance, the Women's Christian Association, the Referendum Committee, the Social Service Council, and similar organizations, which have for so many years subjected the country to an orgy of moral uplifting, and who have striven for salvation by statute, to legislate the people into holiness? Will the evil that strikes at the root and foundation of the nation, the morality of the home, which is a thousand times worse than anything battered and hammered by our moral uplifters, go unchallenged in an attempt to get legislative sanction? Is it possible that the only squeak we may get from the uplifters will be for them to tell us that we may go to hell if we buy a newspaper on Sunday, that we may go to hell if we bet fifty cents on a poor old sorrel horse that has the heaves, but that there is nothing wrong in having a Madame X on Monday and a different Madame X on Thursday? What is the taking of a drink, the smoking of cigarettes or attending a horse race, compared to the breaking up of a Christian home?

[Mr. Fournier.]

In closing Mr. Speaker, let me say that divorce is an unstable thing. It is the essence of unrest and irritation and impermanence, it stands for discontent; and therefore it should not prevail in our land—unless, indeed, our people have permanently deteriorated; unless they have morally taken a long step back; unless they can no longer be aroused by appeals to their fondest recollections; unless they have ceased to love and reverence home, sweet home.

Mr. A. M. CARMICHAEL (Kindersley): Mr. Speaker, I would like to express publicly my disapproval of what I consider to be an evil in our national life, namely, the divorce evil. Perhaps it is not a disease, but in my estimation it is certainly a national social evil. I have listened with much interest to the remarks of the hon. member for West Calgary (Mr. Shaw). I think he is perfectly fair in the arguments he has put forth and I do not doubt his sincerity in endeavouring to rectify what appears to be a wrong as between the two sexes in that there is not an equality of grounds upon which they may both stand in our four western provinces. I found my mind assenting to his arguments on the grounds of fairness and reasonableness. I was also an interested listener to the hon. member for Bellechasse (Mr. Fournier) and I find my heart assenting to the sentiments to which he gave expression—and I am rather of the opinion that our heart sentiments are more weighty and of more consequence than our mere mental assent; therefore I find myself agreeing very largely with the arguments of the hon. member for Bellechasse.

I can understand, Mr. Speaker, that there are certain cases where perhaps not divorce but annulment of marriage is advisable. Cases have come under my personal observation in which the annulment of the marriage contract is advisable and remarriage permissible. Such cases are very rare; non-consummation of marriage is perhaps the only reasonable ground for that course. We do have such cases in our national life. Outside of these my own opinion is that there are also a great many cases where incompatibility of temperament or for other reasons two cannot agree and it is necessary that they should separate. In such a case I think separation should be allowed, but it should be a judicial separation and should not carry with it the right to marry again. Or, if we choose to grant a bill of divorce, as we have done so many times since I have been in this parliament, we should amend our legislation in such a way as to take away the right to remarry.

The hon. member (Mr. Fournier) made mention of legalized adultery. Mr. Speaker,

that is what it amounts to when remarriage following divorce is permitted. Marriage is a divine institution. Man when he was first created had a helpmate created for him also, and it was divinely instituted that these two should come together in the marriage contract. We recognize the divine sanction of the marriage contract by having the marriage ceremony performed under the cloak of the church; we acknowledge that it is a divine institution. If we are going to follow out that line of reasoning we should also realize that it is divinely ordained that "whosoever shall marry her that is divorced committeth adultery." If remarriage is permitted following divorce, adultery is committed and legalized.

Mr. GOOD: I would like to ask the hon. member if in the ordinary meaning of divorce we do not imply the right to remarry?

Mr. CARMICHAEL: I think that is correct, but I think that our law as it stands is not a proper enactment—that is my own personal opinion. We grant the right to remarry, but in so doing we legalize adultery. I am prepared to admit that it is not fair to put upon the woman in the four western provinces restrictions that are not placed upon the man. But there is a way around that. One hon. member made mention of a reasonable way around that, and his remarks were rather made light of. But in all fairness, if divorce is a national social evil, if it is something that we wish to suppress rather than to encourage, should we not place on the man the same restrictions that are now placed on the woman, in the four western provinces, namely, that in addition to adultery it should be necessary to prove cruelty or desertion for a period of two years?

Mr. BEAUBIEN: Is it not so that in many cases the man could prove cruelty?

Mr. CARMICHAEL: In any case it should be just as easy for the husband to prove cruelty on the part of the wife as for the wife to prove cruelty on the part of the husband. I presume that in some women at least there is a streak of the old Adam that is not good, just the same as there is in some men.

I seriously think that our divorce legislation should be reconsidered in this parliament. It has been more than amusing to me, it has caused me to think very seriously, to sit here during the past three sessions and see the divorce mill grinding out divorce after divorce until the number reached over one hundred for two provinces of this Dominion. If we had the statistics for the nine provinces I am sure that our divorces would number more than five hundred for the past few years. During the last eight, nine or ten years there has been a very great increase in the number of divorces granted in Canada. I do not know whether there is much sympathy in this House towards such a condition or not, but personally I feel that it is a menace to our national life that we should unitedly stand against. We have but to look to our cousins to the south of the international line, at least in the western portion of that country, to find conditions existing which are not very enviable. It was my privilege to have in my home some few years ago a lady from the western states, and in our conversation she stated that she had been divorced three times, and she glibly remarked that if this man did not suit her she would divorce him and get another one. It had come to be with her a sort of ordinary thing. That is the kind of thing that we as a young nation are up against. The citizen is given the impression that he may quite properly say, "Oh, well, I am going into the marriage contract, I will take a chance, and if it does not suit me, I can easily jump out and try it over again." I am of the opinion, Mr. Speaker, that such laxity should not be permitted, and if we in this parliament can raise the bars and make still more restrictive the restrictions, I feel that we would be doing a great benefit to our national life. If it is to be suggested as one hon. member remarked, that we have divorce and are not likely to get away from it, then I would suggest that we seriously consider the proposition of taking the celebration of the marriage contract away from the cloak of the church and put it under the judiciary. I feel that that would be a serious step, but if the marriage contract is going to be considered as lightly as heretofore it has been, and if we in this parliament are going to sanction such lightness of consideration, then in all fairness to what I consider the sacredness of the marriage contract it should be performed by the judiciary, by a magistrate, a justice of the peace, or some other civil authority, and taken away entirely from the cloak of the church. Believing as I do, Mr. Speaker, I could not sanction the bill as it is before the House, and I feel compelled to vote against it.

Mr. ROBERT FORKE (Brandon): I almost hesitate to say a few words on this subject after the very eloquent address that we have had from the hon. member for Belle-

chasse (Mr. Fournier). With most of the sentiments he expressed as to the sanctity, the holiness, the happiness, and beauty of the home I thoroughly agree. I am sure that all of us would regret very deeply anything tending to make less sacred the sanctity of the home. But while agreeing with the sentiments my hon. friend expressed, I cannot reach the same conclusions that he came to.

It seems to me that we are not discussing the question of divorce or no divorce, but the question of equality of rights as between the sexes in the matter of divorce. We have a divorce law now, and what the hon. member for West Calgary (Mr. Shaw) is bringing before the House is the desirability of putting men and women on an equal footing in this matter. That is the question we have to consider. We know that in the past laws have discriminated against women; women have suffered from disabilities and injustices, which are now gradually being removed. A sense of fair play and justice in the laws relating to women is much more in evidence now than it was in former times. I am one of those who believe that a great many of those laws placing disabilities on women did not result from selfishness on the part of man; it was not his desire to do an injustice to woman; they originated from a belief that women were less capable of taking care of themselves and of property, and it was with a view to safeguarding women in that respect that they were not accorded the privileges given to men. I believe these laws arose from man's desire to protect women from themselves and from those who might have designs upon them. However, as the years pass we are realizing more and more that women are intellectually the equal of men, and are quite capable of taking care of themselves, and consequently we feel inclined to place them on entirely the same footing as men.

Mr. VIEN: Instead of increasing the facilities for women getting divorce, would not my hon. friend be favourable to decreasing the facilities for men getting it?

Mr. FORKE: Unfortunately human nature is what it is. Were it possible to have men and women all willing and able to create happy homes, I would say abolish divorce immediately. I am not in favour of divorce; I am sorry to see it increasing; I do not want to see further facilities for divorce provided; but I do want to remove the disabilities under which the women in western Canada suffer in this respect as compared with the men. I hope the day will never come when Canada will have as high a percentage of divorce as prevails on the other side of the line. I think a great deal can be done towards making happy marriages by education, by teaching our young people just exactly what marriage means. The hon. member for Bellechasse has said that it was a spiritual relationship. I believe it is so, and if there were more teaching given in the homes of the sanctity of marriage, and of the tremendous evil of divorce, more consideration might be given and more care taken in the forming of marriages. Speaking from that point of view, I hope it will never be very easy to procure a divorce in this Dominion of Canada. Nevertheless, knowing the depths to which humanity, men and women, may fall on occasion, I think perhaps there can be no other solution to the problem than divorce, in order to settle the evil. I would not like anyone to think for a moment that I would say one word against the sanctity of the home. The home is the foundation of our civilization. All that is best and noblest and sweetest in human nature is to be found in a happy home. It is only from the point of view of bringing about equality and justice as between the sexes that I would be prepared to support the bill that has been introduced by the hon. member for West Calgary.

Hon. ERNEST LAPOINTE (Minister of Justice): This is not a government measure in any way, and I am going to express my own views upon it; they are binding only upon myself.

The Privy Council has decided as my hon. friend from West Calgary (Mr. Shaw) has said that the British law on divorce as it was on the 15th of July, 1870, applies to the four western provinces, and therefore the act as it stood at that time—the law was originally enacted in 1857—with all the amendments down to 1870, applies to the four western provinces. My hon. friend is right when he says that the grounds upon which a woman can get a divorce in the courts of these provinces is widely different from the grounds on which a man can obtain a divorce. Apart from the ground of adultery, the woman must prove that there has been desertion for a period of two years, and as my hon. friend (Mr. Shaw) says it is the cruelty that is defined by the English jurisprudence of older days that applies—it is cruelty of the most severe kind which is likely to injure health or limb or life.

My hon. friend also said that under section 91 of the British North America Act it is the Parliament of Canada that has jurisdiction in divorce matters. Of course, it is still open for any wife in the western provinces to come

to this parliament and ask for a divorce on the same grounds as a husband. Mere infidelity would be sufficient to obtain a divorce. There is doubtless an anomaly in the first place in the fact that a woman cannot get a divorce on the same grounds as a man. There is also an anomaly—I admit it—in the fact that the grounds upon which divorce can be secured in this parliament are not the same as the grounds upon which divorce can be secured in the courts. I fully understand the motives which actuate my hon. friend (Mr. Shaw), and I respect them; nevertheless, feeling as I do, and having the opinion which I hold on the matter of divorce, I am sorry that it is impossible for me personally to vote for the proposed measure. If, as I believe, divorce is an evil, I do not think I could conscientiously vote for a measure that would have the effect of making it easier to obtain or to spread the evil more. If one believes that a certain food is a poison, one cannot consistently vote to have the poison distributed more freely or more easily. However this is my own view in the matter. I have risen simply for the purpose of stating what the law is on this subject. The vote I shall give I shall give conscientiously; I cannot support the measure but I fully understand the hon. member's reasons for bringing it forward.

Mr. GOOD: How would the minister propose to remove the existing inconsistencies and inequalities?

Mr. LAPOINTE: Perhaps by accepting the suggestion of the hon. member for Provencher (Mr. Beaubien) and restricting relief on one side while not enlarging it on the other.

Mr. MEIGHEN: Would the minister bring in a bill to that effect?

Mr. LAPOINTE: I cannot promise that to my right hon. friend.

Mr. MEIGHEN: What is my hon. friend's duty as Minister of Justice?

Hon. J. B. M. BAXTER (St. John City and Counties of St. John and Albert): I am sure, Mr. Speaker, that every member of the House who does not belong to a communion which feels that divorce is a moral wrong will respect the conscientious belief of those who do, and we could not expect any other action from them. But I see nothing in this bill which imposes divorce upon anybody. No member of at least two great churches which reprehends divorce, who is faithful to his own communion, will seek divorce. If a man or a woman who belongs to a church which forbids divorce seeks the assistance either of this legislature or of any court, for that purpose, that person has something to settle with the church to which she or he belongs, and that is a spiritual and moral question into which I do not think this parliament would be prepared to enter. With reference to people who belong to churches which tolerate divorce there must be some other attitude to take in public life. After all, divorce for those people is a matter of degree; and I entirely agree with the leader (Mr. Forke) of the party which sits to my left in that I would like to see divorce minimized as greatly as possible. I would not willingly say one word, or take one action in this House or outside of it, which would tend in the direction of divorce. Neither would I nor any other hon. member of this House, ever wish to break up a home. But it is a far cry from breaking up a home to keeping a women in a lingering hell during the whole of her life, and I am prepared to vote—with safeguards and with proper restrictions—to release a woman from a life which is damnable and which ought not to be inflicted upon her. Take the people from the province of Quebec who do not believe in divorce and whose church forbids it. They can, if they are false to their church, come to this very parliament and, either by abstaining from voting or tacitly consenting, agree to legislation that is exactly in the line of this bill, but without any of the safeguards attaching to this particular measure, because the Senate is not controlled, as far as I am aware, by any particular rule although I think it acts in analogy to the English divorce practice. The hon. member has introduced a measure—

Mr. VIEN: Will not my hon. friend admit that when any divorce bill is brought to this House those of us who do not participate in the debate do not give a "tacit consent" to the measure but give a "tacit dissidence"?

Mr. BAXTER: I have not caught my hon. friend's expression. I freely admit that hon. members who from religious convictions are opposed to divorce sit in this House and feel that they are not participating in it in any way and who would feel themselves touched, perhaps, with moral guilt if they did.

Mr. VIEN: My hon. friend said that we "tacitly consented" to divorce legislation. We never did "tacitly consent", we "tacitly objected".

Mr. BAXTER: There is no objection taken, and I say that no one protests against this legislation.

Mr. VIEN: It is a tacit protest.

Mr. BAXTER: Remarks have come from both sides of the House and from very different angles of Christendom to-day against

this measure, but the people who have made those remarks have never protested in this House against the passing of a single divorce bill. That is a fact.

Mr. VIEN: If my hon. friend will allow me further. I would have registered my protest every time a divorce bill was brought up but I understood it was clearly recognized by all members that by abstaining from voting we did not concur in the legislation.

Mr. MACLEAN (York): "Silence gives consent".

Mr. BAXTER: I am quite satisfied that my hon. friend who has just spoken (Mr. Vien) does not feel that he in any way consents or in any way participates in this matter. I am also quite satisfied that my hon. friend from Kindersley (Mr. Carmichael) has made no protest, and I rather think from his remarks that he has not quite understood the effect of the legislation.

Mr. LAPOINTE: Every time a divorce bill is adopted in this House, it is carried on division.

Mr. BAXTER: That is quite right. I do not want to raise any question about that at all. I am quite content with that attitude, and I am not trying to throw any reflection on any hon. member on account of voting or not voting.

Mr. VIEN: Will the hon. member please correct his statement that we "tacitly consent" to it? He is wrong in that statement.

Mr. BAXTER: If I said that, and if withdrawing it will do any good, allow me to withdraw it. That is not the atmosphere I wish to get into. It is far outside my remarks. Referring to the divorce bills that come before us, sometimes one glances at the evidence, and I think as a rule that hon. members, whatever their convictions, probably must feel that there are many cases where the woman is unfairly dealt with; and where, if her religious scruples do not oblige her to remain bound, she ought to be freed from living in what I have already described as a hell. That is very far from letting down the bars to such an extent that there would be indiscriminate divorce for trivial causes. That is something to which I would never consent, and to which I think common sense and intelligent people will never consent. But what is the difficulty about this bill when it only permits, and it does not go a bit farther, the residents of the four western provinces to obtain precisely the same relief—by means of a court properly constituted for the purpose of hearing evidence more minutely probably than the Senate committee would hear it,—as would be granted to those residents of the western provinces by the Senate if they came here at considerable expense and a great deal of travelling. There can be no matter of principle in the length of a railway journey or the size of a solicitor's bill. If a thing is wrong it must be wrong whether it cost ten dollars or five hundred dollars. I have known of some cases, and they have come so near to my own life that I speak with the sympathy born of knowledge for women who have had to drag the chains of a vile husband through their lives, and I am prepared to stand for the equality of the sexes in this matter, and therefore I support this measure as good legislation.

5 p.m.

Mr. MARCIL (Bonaventure): Would the hon. member allow the parties to remarry?

Mr. MACLEAN (York): The Senate does.

Mr. MARCIL (Bonaventure): There is a great difference between separating them and allowing them to marry again.

Mr. BAXTER: To my mind that is a moral question for the parties themselves, and I think each person's morals must be decided according to individual conscience. There are at least two great churches which prohibit divorce and remarriage. If a person gives adherence to the doctrines of those churches then he or she will not seek to remarry, but it is a question for each individual and it is not to my mind in any sense a question for legislation.

I wish to point out to the hon. member who has introduced this bill (Mr. Shaw) that in my judgment there may possibly be a doubt as to the constitutionality of the fourth section. This parliament has jurisdiction over marriage and divorce, but the procedure of the provincial courts is entirely a matter for the provinces. I think that the section which refers to the service of the process would be entirely a matter for the court itself to regulate; and would scarcely be a matter for this parliament to attempt to deal with. On the substantial question that underlies the second and third sections of the bill, I feel that it is only fair to put the sexes upon an equality and that it is only fair to have the same law in the four western provinces that we have in the Maritime provinces and the same law that would be administered by the Senate. It obligates no person to violate a code of their own morality and seek divorce where they believe divorce

is immoral. It simply grants a sort of justice to those people who do not believe that when there are grave reasons for breaking the marriage tie they are morally guilty in seeking the annulment of that tie.

Mr. J. J. HUGHES (Kings, P.E.I.): If this bill becomes law it does not in my opinion recognize divorce, does not establish divorce, and does not say it is a good and praiseworthy thing. As I view it, it simply says that the injured wife shall have the same standing and the same rights before the courts of the western provinces that the injured husband has now, and that appeals to my sense of justice. I do not think we are opening the gates to divorce by legislation of this kind or that we are encouraging it in any way. If I thought we were I would vote against the bill, but I simply cannot vote to place a wife in an inferior position, and say she shall not have the same rights before the courts of this country as a husband has. Therefore, I will either not vote at all or vote for the bill. I intend to do my duty as a member of parliament, and therefore I will remain for the division.

Mr. THOMAS VIEN (Lotbiniere): If the proposed legislation should have the effect suggested by the hon. member (Mr. Hughes) not to increase the possibility of a greater number of divorces in the future, I would be quite willing to let it pass at least with a tacit silence, to be logical and consistent with myself. But my hon. friend says: If I were sure that this was going to increase the number of divorces, or increase the facilities to obtain divorces, I would vote against it. I think a minute's reflection will convince my hon. friend that that is absolutely the effect of the bill. If this bill becomes law not only will a man in the western provinces be allowed to obtain a divorce on grounds that are absolutely recognized to-day, but this right will be given to a lady as well.

Mr. ARTHURS: Why not?

Mr. VIEN: I will come to that in a minute. I am now touching the question of the number of divorces, whether it will increase the number or give a greater facility to obtain a divorce, whether the evil will be greater or will be less, or will be the same. No man who gives a moment's serious reflection to the piece of legislation which we are now studying will fail to realize immediately that if it were enacted the number of divorces as well as the facilities for obtaining them would be greater than they are at present.

Mr. HOEY: In order to substantiate the truth of his statement, the hon. member should give us the figures with respect to the Maritime provinces and of western Canada.

Mr. VIEN: I am not talking of the Maritime provinces but of the four western provinces, and I do not need to go into any definite details. Why is this legislation before us? Is it not brought forward for the purpose of enabling certain persons who cannot obtain divorce to secure it more easily than is now possible?

Mr. BOYS: Is it not purely and absolutely a financial question? The applicant comes to this House and gets the divorce, if she has money, but if she has not sufficient money to come here she does not get it.

Mr. VIEN: My hon. friend will agree with me that at present there is no federal legislation respecting divorce; there is no law of divorce on our federal statutes.

Mr. BOYS: No, but the recognised custom is that people who can come to this House may get a divorce on the ground, with very few exceptions, of adultery only. There are a few isolated exceptions, but that is the recognized ground; and this legislation enables the applicant to get relief in the province in which she lives, which she can now get in Ottawa if she has the money.

Mr. VIEN: The fact is that we have no federal divorce law.

Mr. MACLEAN (York): Every divorce bill that we pass here is a federal law.

Mr. VIEN: They are private bills in every instance; there is no standing federal legislation on divorce. There is no public law on the matter. Every private bill is judged on its own merits by the Senate, and every application for divorce must be separately presented to parliament. But if this legislation is carried there will be in future a general law governing divorces in the provinces concerned. Hon. gentlemen who have spoken before me on this question have all recognized that divorce is a social evil, and they have suggested that if there were anything in their power that could be done to restrict rather than to enlarge the facilities with which divorce is obtained, they would do it. Well, to achieve the aim and purpose of the hon. member for West Calgary (Mr. Shaw), it seems to me that this legislation which is now before us is not fitted. The hon. member wishes to equalize the facilities with which women can obtain divorce, with

the facilities that appertain to men. He says that there is an inequality, that there is an injustice, in that men are allowed divorce on grounds which are denied women. Now, if the only object of the promotor of the bill is to remove that injustice, there is another method which he could pursue; and if he presented to parliament a bill to put that method into effect, I think it would receive unanimous support. Instead of increasing the number of divorces that now obtain, instead of facilitating the means of obtaining divorce and so opening the gate wider to this evil, the hon. gentleman might bring forward a piece of legislation to put women on an equality with men in this matter, not by increasing the grounds on which women may receive divorce but by diminishing the grounds on which men now obtain it. If the object of this legislation is not to open wider the gates to this social evil, let the hon. member do as I suggest and in this way put women on an equal footing with men.

Mr. WOODSWORTH: Do I understand the hon. member to say that he would vote for a divorce law which would grant divorce equally to women and men in the western provinces, or anywhere else, on the ground of adultery?

Mr. VIEN: The hon. member does not grasp what I said. If the hon. member for West Calgary will introduce a piece of legislation to reduce the number of reasons for which divorce may be asked by men in the western provinces to the number of reasons which are allowed to women, I shall vote for that legislation, on the ground that it would tend to close the door to divorce, rather than to enlarge the facilities by which divorce may be obtained.

Mr. PUTNAM: Would that not mean in the concrete that the husband could get divorce only on the ground of adultery on the part of the wife, plus proof of cruelty exercised by the wife against him, or plus proof of desertion?

Mr. VIEN: I would vote for such a measure.

Mr. PUTNAM: It would be absurd.

Mr. VIEN: I do not know that it would be absurd. Divorce is a social evil—

Mr. MARCIL (Bonaventure): Does the hon. member not know that he cannot vote for divorce and stay in the Catholic church?

Mr. VIEN: The hon. member does not grasp my remark. My hon. friend (Mr. Putnam) asked me if I would vote for a measure which would reduce the grounds on which divorce is now sought. So far as reducing the number of grounds on which divorce may be given is concerned, I am quite willing to vote for a measure that would accomplish this end. The fact of the matter is that I am ready to vote for a measure which would close the door altogether against divorce, but if I cannot obtain that full measure of restriction I am ready to take what I can get towards that end. However, I shall leave for a future occasion the discussion of these canonical questions with my hon. friend (Mr. Marcil).

The social evil of divorce is recognized by all concerned, and the more we can close the door against it the better, I think, we shall serve the greatest interests of our country, the interests of the population at large. I am quite in accord with the hon. gentleman who said that he was willing to grant annulment of marriage in some cases and separation in other cases. But I think it would be in the interests of social welfare to close the door altogether to divorce.

Now, some hon. gentlemen have a great deal of pity for those unfortunate men and women whose marriages are such a failure that they want to separate in order to put an end to their unhappiness. I think it is better that a few persons who have married imprudently should suffer the consequences of their folly rather than encourage hasty marriages by facilitating divorce and so spreading this social evil throughout the country. In our civil law there is the principle of caveat emptor—let the purchaser beware. It seems to me that we should enforce this principle with respect to matrimony; in other words, let those who are contemplating marriage beware.

Mr. WOODSWORTH: Ought not that warning to be given equally to husband and to wife?

Mr. VIEN: To both sides of the house.

Mr. WOODSWORTH: I would suggest that under present circumstances there is not the same warning given. We are simply seeking to give it to both sides.

Mr. VIEN: I submit, Sir, that if we grant too great facilities to those who have contracted hasty marriages and seek divorce, to that extent we increase the social evil of divorce, and that we would better serve the public interest by leaving a few isolated couples to suffer for their imprudence by refusing them divorce. This evil has become a plague in the United States. If my recol-

lection is correct, in that country to-day there is one divorce for every six or seven marriages. Undoubtedly future generations of the United States will suffer for this state of affairs, and I would sooner see a few of our people unhappy than allow a similar evil to afflict this Dominion.

The hon. gentleman who has introduced this bill (Mr. Shaw) says that it applies only to the four western provinces. Well, a perusal of the bill will prove that he is not correct; the legislation would apply to all the provinces. I would prefer to be a silent dissident on this matter if its scope were restricted to the four western provinces; but it is not.

Mr. BOYS: Will my hon. friend tell me how the bill applies to the province of Ontario?

Mr. VIEN: I do not say that it does now; but nobody can tell us that to-morrow it may not apply to Ontario and Quebec.

Mr. BOYS: I understood my hon. friend to say that this bill would apply to all the provinces.

Mr. VIEN: And it does.

Mr. BOYS: I ask him, how could it apply to the province of Ontario when we have no divorce law in that province?

Mr. VIEN: It does not to-day; it may to-morrow. It introduces on our statute books the law of divorce, a law which does not exist there to-day. My hon. friend may look at the federal statutes and he will not find among them any law of divorce. This bill, if enacted, would be an acknowledgment of what we consider to be a wrong principle.

Mr. BOYS: I do not contend for a moment that there is any divorce law governing the Parliament of Canada; it is wide open; but I have made the assertion that according to our practices there is substantially only one ground on which divorce is granted in Canada, and that is adultery. Does my hon. friend disagree with me in that?

Mr. VIEN: No, I do not disagree with my hon. friend on that point, and I do not disagree with him that for the time being this proposed legislation would apply only to the four western provinces,—and indirectly to the Maritime provinces; but I do contend that by enacting this bill we would be accepting a principle against which we feel it is our duty to protest; and I am now protesting against the introduction of any legislation in this House which would increase the facilities for divorce. And that is in answer to those who favour this bill on the ground of sympathy for unfortunate couples who cannot live together happily, and for whom it would be a hardship not to grant divorce.

Mr. BROWN: The hon. gentleman says the House by accepting the bill will accept the principle. Will he just clearly define the principle of the bill?

Mr. VIEN: The principle is given there.

Mr. BROWN: What is it?

Mr. VIEN: That a woman will be able to obtain divorce on all the grounds for which a man can obtain divorce.

Mr. MACLEAN (York): Does not the hon. member who put forward the principle of caveat emptor in respect to those contemplating marriage, also believe in that doctrine of equality?

Mr. VIEN: No, I do not. I say women should not obtain divorce on those grounds; and men should not either.

Mr. BROWN: Is not the hon. gentleman confusing the principle of the bill with his own personal principles in regard to divorce?

Mr. VIEN: No, I am not confusing anything. I may not possess that mastery of the English language which would enable me to clearly express my views.

Mr. FORKE: You are doing very well.

Mr. VIEN: This is the only excuse I can offer for not having expressed myself sufficiently clearly to be understood on the other side.

Mr. BROWN: You are doing very well.

Mr. CARMICHAEL: If the husband were required to prove, in addition to adultery, cruelty or desertion, the same as the wife, would not that principle be shown forth as at present embodied in the bill?

Mr. VIEN: Surely; but that is not the principle of the bill. Instead of reducing the grounds on which a husband can claim divorce, it increases the grounds on which a wife can claim it. Therefore the enactment of this bill would in my opinion tend to increase the numer of divorces in future, and it is against that that I protest. I protest also against any addition to our statute books of legislation which would enable anyone in Canada to obtain divorce. There is no such legislation to-day.

Mr. SHAW: I listened with a great deal of interest the other day to my hon. friend describing the British North America Act as a treaty, an arrangement between the provinces and the Dominion. Now, do I understand him to suggest to-day that although divorce is covered by the British North America Act, that part of the treaty must not be operative at all?

Mr. VIEN: I do not understand my hon. friend. I do not see in what way I am touching the British North America Act.

Mr. SHAW: Well, a lot of us can. I want to suggest this. My hon. friend says that he objects to this bill because it deals with the question of divorce and because it would put a divorce law on the statute book. If he respects the British North America Act why does he not vote in favour of this bill, having regard to the fact that there is provision for divorce in the original agreement of confederation?

Mr. VIEN: The British North America Act enables the Parliament of Canada to pass legislation on divorce. But I would oppose any legislation introduced in this parliament in respect of divorce, even though it is within the province of the Parliament of Canada to pass such legislation—I would oppose it on the ground of the principle involved. I contend that it is a wrong principle to introduce legislation enabling the people of Canada to obtain divorce. I would prohibit divorce altogether, not on the ground that it is not within the province of the Parliament of Canada to grant or provide for divorce, but on the ground that it is inadvisable to pass any divorce legislation.

Mr. HUGHES: May I ask the hon. member a question? There are two groups of people in Canada, one made up of those who do not believe in divorce at all and do not practise it much, and the other consisting of those who believe, to some extent at least, in legal divorce. Now, is it fair for those who do not believe in divorce to try to impose their will on the rest of the people and to place the female portion of the rest of the people in an inferior position? I would not be a party to that. I do not believe in divorce myself, but I do believe that where divorce is granted or recognized at all the injured wife should have the same standing and the same rights before the courts that the injured husband has.

Mr. VIEN: I think my hon. friend's question is hardly fair. I am not trying to impose my will on anybody. But sitting in this House as the representative of the county of Lotbiniere I find it my duty to oppose all legislation on divorce, because I consider that it is a serious evil, not only in respect of the section of the country in which I live but in respect of the whole of Canada. I do not take this stand on account of my religious belief, which alone would be enough to prompt it; but as a Canadian citizen and as a representative of the Canadian people having a seat in this House I am convinced that divorce is a social evil; that we should restrict it by all possible means, and that in so doing we would render a great service to our country. I repeat that I do not desire to impose my opinion upon other hon. members of this House, still less should I try to stampede the House, even if I could, into passing legislation which would debar others from expressing different views. I take this attitude not because I do not respect the views of hon. members who differ from me on this question, but because, as I have said, I am opposed to all divorce legislation. I think it is the duty of hon. members to restrict divorce by all means and not to introduce any legislation which will render divorce easier in future.

Mr. L. J. LADNER (Vancouver South): Mr. Speaker, as one of the members from British Columbia, which is affected by this legislation, I would like to say a few words on the bill now under consideration.

Those who have taken part in the discussion can be divided into two classes, namely, those who are discussing the principle of divorce and those who are discussing the principle of the bill, which is the matter of the relationship of husband and wife in marital differences of the kind referred to. Throughout the whole of the Christian world, in all Christian countries, the principle of divorce has been established by legislative enactment. I do not know of one country where that is not the case. In seven of the nine provinces of this Dominion the principle of divorce has been accepted, and by acts of the federal parliament the principle of divorce is established for the people of Canada as a whole.

Divorce in many cases is a social evil, but I submit that it is an arbitrary course to classify all those who seek divorce or believe in its principles as condoning an evil in our social system. There are instances where in my judgment divorces are absolutely justified. As one engaged in the practice of law and engaged on occasions in divorce cases, I know personally of individual cases in connection with which no hon. member of this

House in the full possession of his senses, to say nothing of his ideas of justice and fair play, would say that a divorce should not be granted.

I do not wish in my few remarks to labour the question of the principle of divorce. As I have mentioned, every Christian country in the civilized world has accepted the principle of divorce. What hon. members are faced with to-day is, in my judgment, a simple question which should be disconnected from their personal views except as they reflect the opinions of the people of the country. It is the simple question whether in those cases where divorce is justified the woman shall be put under a handicap and the man left more or less free. The argument which the last speaker (Mr. Vien) advanced as to the encouragement of divorce does not seem to me to apply in this case. Under the law as it has been stated here, a woman must prove adultery plus cruelty or desertion for two years or upwards. It has been suggested in this debate that the reverse principle should apply; that a man should have to prove adultery and cruelty or desertion for two years or upwards. I do not think that anyone who makes such a suggestion can do so on the merits of the question; he does so only as a medium or method of handicapping divorce. The cruelty which is referred to there is physical cruelty or cruelty affecting the health of the person concerned, and if that principle of law is established a man must be able to show that the woman was guilty of acts of cruelty which threatened his health or his physical well being. The idea is absurd. The proposal as submitted is merely a method of eliminating the principle of divorce. I submit that that principle is not now at issue. The question at issue is a very simple one: whether in a marital case where a divorce by law should be granted, a woman should not have the same rights as a man before the courts of the country and under the law of the land. So far as the portion of the west from which I come is concerned, the overwhelming majority of the people believe that the women should be placed in identically the same position as the man.

Mr. VIEN: Is that equalization the only purpose for which my hon. friend would vote for this legislation?

Mr. LADNER: That is all we are called upon to consider.

Mr. VIEN: Would not my hon .friend, instead of widening the grounds for divorce for women, rather reduce the grounds upon which it could be granted to men?

Mr. LADNER: The suggestion made by the hon. member for reducing the grounds is one made not really with the intention of reducing them, but rather on the principle of doing away with divorce altogether. That is his motive. Rather than carry out the principle of divorce, he would eliminate it.

Mr. VIEN: My hon. friend says that his only purpose is to put the women on the same footing as the men in the four western provinces. Well, let him put the men on the same footing as the women, and he will then realize his object of equalization.

Mr. LADNER: The hon. gentleman did not correctly hear my answer. I said that we are called upon in this bill to consider only the question of putting women on an equality with the men.

Mr. VIEN: Put the men on an equality with the women.

Mr. LADNER: That is not the purpose of the bill.

Mr. VIEN: Let us have it.

Mr. LADNER: The principle is clear. It is to enable the women to get divorce on the ground of adultery, without proving cruelty, and there is a very good reason for that. I have known in my own practice many cases where adultery could be established but where actual physical cruelty could not be established although there had been far greater suffering and torment of mind than actual physical cruelty could inflict, cases where, as one speaker said, home was hell on earth. The principle of this bill is to put the men and the women on an equal basis, rather than have one sex under a serious handicap as compared with the other. That seems to me absolutely fair and equitable, and if the principle of divorce is recognized in this country, I do not see how any hon. gentleman carrying out that principle can refrain from supporting the bill, because it merely enables the women to have equal rights under the law with the men in the matter of divorce.

Hon. CHARLES MARCIL (Bonaventure): Mr. Speaker, I said a word on this subject last year, and I would not like this question to go to a vote without repeating some of the objections I then urged.

At the time of confederation divorce existed in New Brunswick and Nova Scotia. It did not exist in Ontario and Quebec. The Fathers of Confederation felt that it should not be

imposed on the Dominion at large. They recognized the existence of these provincial courts, but they gave to the Parliament of Canada the power to legislate in certain special cases to grant relief, and every bill that is passed by this parliament is worded "An Act for the relief of So-and-So." No direct divorce legislation has ever been passed by this parliament. It would never be accepted I know in my province, and in Ontario there are also very strong objections to it.

I asked at the time of the debate last year for statistics on divorce, and I just want to read these few lines:

> For many years subsequent to confederation the number of divorces granted in Canada was very small; in 1883, thirteen divorces, that being the first year in which the number attained two figures; while 1903, with twenty-one divorces, was the record year up to that time.

If we look back to the war years we find that in 1919 there were 376 divorces granted in Canada; in 1920, 429; in 1921, 548; and in 1922, 544. I have not the complete figures for 1923. At the time this question was before the House before I happened upon the following paragraph, I think in the Ottawa Journal, judging by the type. It shows the effect of the change in the law in England giving women over there the same rights that are sought for them in the western provinces. The cable is dated London, April 25, and reads:

> A striking feature of the forthcoming law term here is the large number of divorce suits brought by wives under the new act which gives women equal rights with men in the matter of ground for divorce, namely, proof of misconduct. There are nearly 600 undefended divorce suits entered on the court lists.

That was the first term after the passing of the new law in England; so the contention that a change in the law will not increase the number of divorces in the west cannot be sustained.

Any woman who has a rightful grievance under the law as it exists now can come to this parliament and be granted relief, and her fees can be remitted; the fees have been remitted in a number of cases, for the Senate committee has that power. No real grievance is allowed now to exist. If the Fathers of Confederation could not agree at the time of confederation to impose divorce on Canada seeing we are so divided on that question, I do not see that we should ask now to pass an act which we have always objected to, and which the Fathers of Confederation also objected to, and bring about a state of affairs such as exists across the line. The hon. member for Vancouver said that all Christian countries had passed divorce legislation. I have often scanned the new testament to find

authority for the establishment of divorce, and especially for the remarriage of the divorced party. Every divorce bill that comes into this House, and they have been coming here for the twenty-five years I have been here, always contains a second clause granting the right to marry again. If that clause were not there, would any application ever be made to this parliament?

We know the state of affairs that exists now in the United States, where one divorce occurs out of every seven or eight marriages. Last year in the state of Nevada where Reno is situated there were more divorces than marriages.

Here is a country that does not rank as a Christian country, but in which there are more divorces than marriages. It is a cable from London, published last year:

> London, April 8.—Divorces exceeded marriages in Constantinople during the last year, according to the Daily Mail correspondent. He gives the official figures as 9,259 divorces against 7,974 marriages.

We are all of one mind; no man worthy of sitting in this House would impose an injustice upon women, but there are means known to members of the legal profession in our province, and in other provinces by which a woman now can seek relief and a judicial separation, if necessary. Every time you pick up a newspaper nowadays you find people are making a mockery and a farce of marriage, an advertising scheme with moving picture people coming around and taking pictures of it. You find persons divorced one day and remarried the next. I think it is about time for Canadian legislators to consider this matter earnestly, and not to follow the legislation that is in existence now in the United States. Let us take warning before it is too late.

Mr. ROSS (Kingston): Has the hon. member figures of the number of couples who have been remarried after getting divorce?

Mr. MARCIL: I am sorry I have not. It is a well known fact that divorces have increased enormously. Here are the number of divorces granted in this country during the last ten years:

1914	33
1915	18
1916	34
1917	17
1918	15
1919	51
1920	100
1921	112
1922	102
1923	117
	589

As the hon. member for Lotbiniere (Mr. Vien) has said divorce is becoming a plague

to the country. Rather than encourage divorces we should try and find means to prevent them and for that reason, if for no other, I am obliged to vote against the bill.

Mr. A. J. LEWIS (Swift Current): Like the last speaker (Mr. Marcil) I should hate to see the conditions of family life in the United States duplicated in Canada, and if a bill were brought into parliament which would deal with divorce throughout Canada in a general way I might feel called upon to speak of it differently from what I am doing at the present time. The last speaker stated that as a result of the passing of a bill giving equality between the sexes in Great Britain that the number of divorces had increased by six hundred. Very well, let us admit that. Would it not seem to imply that those six hundred women in Great Britain had suffered in silence previously and without being afforded an opportunity of getting relief? The hon. member for Lotbiniere (Mr. Vien) has said that if the existing difficulty in the way of getting a divorce were removed it would increase the divorces in the four western provinces. Let me say that if a measure is introduced into parliament to make it harder for people to get divorces I am quite willing to support it providing it is uniform in its operation. But I have read the statistics of the divorce courts in the various provinces in Canada—those provinces where the women had equal rights with the men in obtaining divorce, and also those provinces where divorce was easier for men than for women—and those statistics do not show that the women folk suffered where there was equality of treatment, the ratio as between men and women was about the same.

The present bill will naturally receive the support of all hon. members who believe in divorce, and from the viewpoint of fair play there seems to be no argument against the contention of its mover. We are all coming to believe in absolute equality as between men and women; and as long as the state continues to grant divorces to the people of the country I see no reason why men and women should not be in a position of absolute equality in respect to divorce. I take that stand not because of any religious belief but from the point of view of good citizenship. As a citizen I object to divorce, I do not believe in it, but the question in my mind is this: Shall we in this parliament make the getting of a divorce easier than is possible at the present time? I have sat on the Private Bills committee of this House for a number of years, and I have listened to the evidence as given in the Senate committee. I have also read that evidence carefully in order that I might vote in an intelligent way on the question. Hon. gentlemen cannot say to me that I have not objected to the granting of divorces. I have done so in the Private Bills committee. I have fought the granting of divorces, and in some instances have won with the help of my colleagues around me, because I did not believe that they should be granted. At the same time it does seem to me that divorces get through this House sometimes in a very slip-shod manner, not that we are altogether lax but we do not take sufficient time to study each case, we are not sufficiently interested in the matter, in order to see whether there are proper grounds for granting the divorce.

Some divorces have been sanctioned by parliament where the man, instead of being given the opportunity to contract another marriage, should be given a sentence and the lash. I believe the time has come when we should respect family life in Canada, when we should treat it as sacred, when people who enter into the marriage contract should realize that it is an agreement for life and should act with a due realization of that fact. If the nature of the marriage obligation was duly brought home to those who enter into it I am convinced they would be more careful in its observance. I repeat that I intend to support the bill because I believe that so long as the country continues to grant divorce both sexes should be on even terms. Some hon. gentlemen have argued that we should make it harder to get a divorce. I would not be opposed to that if the legislation were uniform in its application throughout the country. But as things are such a law would, I think, render it more difficult for western folk to get a divorce than it would the people in the eastern provinces. Because it proposes to introduce equality as between the sexes I shall support this bill although I do not believe in divorce. What I am supporting is the application of the principle of equality; I do not believe there should be any discrimination in this matter in favour of men as against women. Our solidarity as a nation, in my opinion, rests to a great extent upon the maintenance of the family union, and I am sorry to note the facility with which that union has been dissolved in many cases.

Mr. LAPOINTE: Do I understand my hon. friend to argue that the people of Ontario and Quebec will occupy a privileged position, as compared with the people of the western provinces if this bill does not become law? Let me say to him that the people of the

western provinces have the same right of redress from parliament that the people of Quebec and Ontario enjoy, and they have the same right of access.

Mr. HOEY: But the application to parliament for a divorce is more expensive.

Mr. LEWIS: We have the same right to apply to parliament for redress but the question of expense, as has already been pointed out, is a serious one, and in many cases is a great handicap to many people who might wish to dissolve the marriage relationship. If hon. members who object to increasing the facilities for divorce will submit legislation with the object of rendering divorce more difficult I will support it. But, as matters stand, believing that both sexes should enjoy absolute equality, I must vote for this bill which proposes to remove a handicap as far as some Canadian women are concerned.

Hon. GEORGE P. GRAHAM (Minister of Railways and Canals): I hope I shall not be considered oldfashioned. I should not like the House to think that I am ungallant where the women are concerned, but I am against divorce and anything that looks like it, and always have been. There are three subjects on which, early in life, I made up my mind. One was my opposition to capital punishment; the second that I would never object to any amount of taxation for the education of the young; finally I have been absolutely opposed to divorce under any circumstances. I will give you one or two reasons for my belief, although I do not pretend to be any better than other people. We in this country have adhered to the principle that marriage is more than a contract. Only the clergy are allowed to perform what I call the "sacrament of marriage" and at the conclusion of nearly every marriage you will hear these words pronounced:

> Those whom God hath joined together let no man put asunder.

I am a firm believer in the principle that marriage is a moral and not a commercial contract, and I do not believe, from the moral standpoint, that this House or any other body has the right to dissolve a marriage. You will say that may be cruel. No. Where divorce is made easy the marriage vows are held lightly. Many people marry and only remain married for a few weeks, because when they do marry from momentary inspiration or hallucination they know they can be relieved from that marriage tie through the courts or, in this country, through parliament.

[Mr. Lapointe.]

Mr. FORKE: Does the hon. minister think the last words of the marriage service that he quoted have any meaning in a case such as he mentioned? If one has been deceived to begin with, what is the proof that these words are not a mockery? You admit they have never been joined together and the words have no effect; consequently you consider these words are of no avail whatever, so far as marriage is concerned.

Mr. GRAHAM: I am speaking from the inside and not the outside. Conscientiously, I believe that those who enter into the marriage vows undertake a serious obligation and the various churches attach a solemnity to these words as the last admonition.

Mr. FORKE: They ought to.

Mr. GRAHAM: And to my mind the contract is not a civil contract; it is rather a moral contract.

Mr. HOCKEN: Is it not both?

Mr. GRAHAM: I am stressing the moral side of it for my part, although it may be both, and I do not conscientiously believe that it is the right of any legislature to dissolve this contract. You will say "It is a horrible thing for a man and woman to be compelled to live together after certain discoveries have been made." Well, they are not compelled to live together. They can be legally separated and never live together again; but under those conditions they cannot marry again. If the law said that a man must live with a woman, or conversely that a woman must live with a man, under such circumstances as we know exist, then I might favour some other method of having them separated. But the law of every province and the law of the Dominion of Canada gives them the right to separate and to live separately; so that there is no argument at all on account of the fact that they do not live together.

Mr. MACLEAN (York): Who is going to support the woman?

Mr. GRAHAM: Very often the woman has the money. If hon. members will go through the records of the United States on divorce they will discover that in a great many cases the women have the money and ask for the divorce, but that is drawing me away from what I wish to say. I would point out that if no divorcé was allowed to marry again there would be mighty few divorces asked for in any country. We do not need to go into any history or statistics to prove that. That is evident on the face of it. But

you say to me "You are making a speech on divorce, while this is only a question of equality." Well, my position is this: I am against divorce and believe if there were no divorces, marriages perhaps would be more carefully entered into; and the morality of this country would be improved if nobody was allowed to get a divorce for any cause, but separation would probably be taken advantage of in a great many cases. You know as well as I do that divorces have come before this House and we pay little attention to them, but inside of a few weeks one divorcé is married, which is perfectly honourable and perfectly proper under existing laws; and you know that in a great many cases of divorces that come before this House the party that is asking for the divorce has been keeping company with somebody else for weeks, months and years perhaps, and only comes to get the divorce to be free from a bond that is irksome so that the party may take on another bond that he or she thinks will not be so irksome.

I want to come back to this question of equality. The Minister of Justice (Mr. Lapointe) has said that at the present time all the provinces stand on an equality. They all come to the Parliament of Canada.

At six o'clock the House took recess.

After Recess

The House resumed at eight o'clock.

Mr. GRAHAM: I think I was about through at six o'clock, but I shall say just a few words now in conclusion. It has been suggested that it is too expensive for anyone desiring a divorce to bring his or her case to Ottawa. As I said before, I am not in favour of divorce at all, and if I had my way I would make it so expensive that no one would come to Ottawa. There is another point which is always present in my mind in regard to another question which I mentioned to-day. If a couple be legally separated they can reunite without any comment or any suggestion of scandal; and if hon. members will look back they will no doubt recall very many instances of couples who in a moment, or perhaps after a year, of petulance decided on a legal separation, who on second thought and mature consideration came to the conclusion that for the sake of their families that state was not the best thing for them, and they therefore became re-united. In the case of divorce this is impracticable, if not impossible. Many divorced people have been re-married, but so far as I can remember at the present time, they have never done so until they have gone through the purgatorial process of being married two or three times in the interval. And this really makes marriage a farce.

Mr. EULER: Would the minister say that this applied to divorced persons in Canada, or is he thinking of the United States? I question whether you would find many cases of divorced persons re-marrying in this country, for there is only one reason for which divorce is given here.

Mr. GRAHAM: I would not confine the remark to marriage in Canada; as a matter of fact I had in mind the larger area of divorce in all countries. As I pointed out in the beginning, marriage in Canada is on a different plane, both from the legal standpoint and from the point of view of the method of performance, from what it is in some other countries. And for that I believe Canada is to be commended. That is why I said that the marriage ceremony in Canada was far more than a civil contract; to my mind it is a moral contract. However, I shall not go over that ground again.

I believe in the equality of sexes in regard to this matter; I am of the opinion that the man should have no right to claim a divorce or separation on grounds not granted to the woman, and in that respect I think I coincide with the sponsor of the bill (Mr. Shaw). But the way in which I would go at it, from my conscientious point of view, would be to add to rather than to lessen the restrictions; I would make the restrictions more rigid on both sides and make it harder for either party to secure a divorce. That is the way I would bring about equality, and as I told my hon. friend last year on the floor of the House, when I spoke on this question, if anyone will introduce a bill for the purpose of putting a greater number of impediments in the way, and so make it harder for people to get divorce, I am ready to vote for it in a moment. I do not want to influence anyone in this respect; I simply speak for myself from a conscientious point of view which I have held for many years, and I cannot, therefore, see my way clear to vote for any measure which would open the door wider to divorce. I will say this, however, that if the object of this bill were to make it easier for a man to get divorce I would vote against it with much less reluctance than I do in this case. In voting against the bill as it stands, I may be charged with voting against equality of treatment as between men and women; but that is not my attitude at all. I will vote for

every measure which will make it harder for anyone to get a divorce.

Miss AGNES C. MACPHAIL (Southeast Grey): I suggest that there is a splendid way out of the difficulty of marriage, and that is my way—stay out.

Mr. GRAHAM: In the absence of the Prime Minister, I give his approval.

Miss MACPHAIL: When in doubt say no. I believe it would be a good thing to make marriage harder instead of easier, for there is too great a tendency on the part of people to rush into marriage without realizing either its hardships or its binding nature. It is a fact that all women contribute more to marriage than men; for the most part they have to change their place of living, their method of work, a great many women to-day changing their occupation entirely on marriage; and they must even change their name. They then work continuously for many years until death happily releases them, and that without wages at all. They work without pay. No one can claim that a married woman is economically independent, for she is not; apart from some very rare exceptions, married women are dependent economically, and that is the last possible remaining bond on women. Women have struggled for ages now, and to-day they are ably championed in our country by the hon. member for West Calgary (Mr. Shaw) and his friends who in this House are demanding further rights for them. When I hear men talk about woman being the angel of the home I always, mentally at least, shrug my shoulders in doubt. I do not want to be the angel of any home; I want for myself what I want for other women, absolute equality. After that is secured then men and women can take turns at being angels. I stress that angel part, because I remember that last year an hon. member who spoke from the opposite benches called a woman an angel and in the next breath said that men were superior. They must therefore be gods.

An hon. MEMBER: Was it the hon. member for Bellechasse (Mr. Fournier)?

Miss MACPHAIL: I do not remember his constituency. Now, I welcome this opportunity to register my vote in favour of equality for women, who, I think, should be granted divorce on the same grounds as men. It is likely they suffer more than men do because they do not get it, and so I am glad of this opportunity of showing to western Canada that we as a parliament are endeavouring to be fair to the four western provinces.

[Mr. Graham.]

Those provinces have possibly a good deal of reason for the feeling that eastern Canada and the capital of the Dominion are quite indifferent to their needs. I am not arguing either in favour of or against divorce, but I do think that this is a question of equality and that anyone who votes against the bill is after all voting against that principle. And I hate to say that when I think of the Minister of Railways (Mr. Graham), who is indeed very fair usually. I hope hon. gentlemen will remember how the women of the four western provinces will feel towards those who vote against them, because that is after all what it amounts to; they are the women directly concerned. Twice this subject has been introduced in the House, and I believe it will continue to be introduced again and again until justice is done our women. They are merely asking for justice—absolute equality.

Mr. W. D. EULER (North Waterloo): Mr. Speaker, I have no interest in this bill except in so far as it is an effort to correct what to me seems to be an undoubted injustice. The Minister of Railways (Mr. Graham) before dinner stated that in his early youth he had learned to believe in three things—the undesirability of capital punishment, the virtues of education, and the evil of divorce. I might say to him and to the House that with the first two of his beliefs I am entirely in accord, but I cannot follow him in his attitude towards the bill under discussion. This bill, introduced by the hon. member for West Calgary (Mr. Shaw), appeals to me solely on the ground that it seeks to remedy an injustice. If the House admits the propriety of divorce as an institution, then the argument for the bill of the hon. member is in my opinion absolutely unanswerable. I would like to compliment my good friend from Bellechasse (Mr. Fournier) on his speech. Its choice diction, and the beauty and nobility of thought of his remarkable panegyric of married life and the sacred joys of home were, I think, an effort that none of us could hope to equal. And assuredly I have no criticism to make of those who, either from conscientious convictions or because of the practice of their church are unalterably opposed to divorce.

But it does seem to me that much of the debate this afternoon, especially from opponents of the bill, was more or less beside the point. Those speeches might very appropriately have been made if the bill called for the establishment of divorce as something new, or for its abolition. But divorce is already an established fact in this country. The bill, I submit, does not touch the es-

tablished principle of divorce at all. To my mind its principle is to establish equality between men and women in respect to something that already exists and which no one proposes to abolish. Now, I have said that some of the discussion has been beside the point, and to a very slight degree, Mr Speaker, I am going myself to transgress in order to remove, if possible, some of the confusion that has arisen. Divorce, it has been said, is a social evil. Well, I do not believe that it is. Divorce is the result of the social evil itself and is an effort to remedy it. I have heard only one good reason for opposition to this bill, and that is that members are conscientiously opposed to divorce altogether. If, therefore, the bill is defeated, it will follow that this House is opposed to the institution of divorce; whereupon it logically follows, I submit, that it is the duty of parliament to abolish divorce entirely. I can see no escape from that position. On the other hand, if divorce, as we have had it for many years, is to continue to be recognized on any ground whatever, then surely it is unanswerable that women should have the same rights as men in obtaining this relief.

The suggestion has been made, and it was repeated by the Minister of Railways that the women of the western provinces can come to the Parliament of Canada and have their cases decided on an absolute equality with men. I think the suggestion has been very well answered. If that practice is to continue, then the man in the western provinces who has ground for a divorce can go to his local divorce court which is near at hand, and at very small expense and very little personal inconvenience he can obtain what the woman is obliged to go to Ottawa for, travelling thousands of miles at very heavy expense, an expense which in all probability she is much less able to bear than the man. There is very little chivalry or justice about that.

I do not wish my hon. friend the Minister of Railways to think that I am attacking his argument in particular, but he suggested that if a divorce be granted the parties should not be permitted to marry again. He spoke also of the possibility of a legal separation instead of divorce. That on the face of it may sound very fair, but in the case of a divorce there is always at least one party guilty, and nearly always one party innocent. I cannot for the life of me see why an innocent woman who has conducted herself with absolute propriety, who is blameless, and has very good reason for seeking a divorce, should be prevented from marrying again and having the companionship and what other advantages pertain to the institution which is endorsed by all—marriage. If marriage is a good thing, then surely it should be possible for innocent people to again enter into it.

Some members have stated that they are not particularly in favour of divorce. I am quite frank in saying that I am in favour of divorce for the one cause for which a divorce is usually granted in this country, that of infidelity. I do not think it is fair, I do not think it is right, I do not think it is in the interests of society that a married couple should be compelled to live together when one has committed the single offence which is the most obnoxious and perhaps the most revolting that he or she can be guilty of. Believing as I do that we should have divorce for the one offence, for me there is no other course than to vote for the bill on the score that women should not be prejudiced in the courts of the western provinces, but should have exactly the same right of redress as men have under similar circumstances.

Mr. H. A. FORTIER (Labelle) (Translation): Mr. Speaker, the bill introduced by the hon. member for West Calgary (Mr. Shaw) aims at extending, in the western provinces, the grounds for obtaining divorce. If such was not the case, I am certain it would not be brought down for the consideration of the House. Now, in my opinion, divorce is only the tolerance of an evil which must be avoided as much as possible.

I am opposed to divorce on more than one score. I already had the opportunity, at the last session, when a bill of this nature was under consideration by the House, to put forth the reasons which prompted me to strongly oppose divorce. I shall not again repeat them to-day; however, I shall mention two: I am opposed to divorce because I am a Catholic and because I am a British subject.

I am a Catholic, I belong to that Catholic religion which has Christ for its guiding light and holds divorce in horror. Divorce, is the desecration of a sacrament, the sacrament of marriage, and, had I but that reason to rise in this House, I could say with pride that I have always been opposed to divorce and that each time I am given the opportunity I shall strongly register my protest against this shameless law on behalf of the electors which I have the honour to represent in this House.

As a British subject, as a citizen of this country, it seems to me that I still have cause to oppose divorce. When, in 1867, Confederation was agreed upon, Protestants and Catholics united on a common ground and made conces-

sions, it was decided that this question of divorce would be restricted as much as possible. This was a concession which the Fathers of Confederation had, perhaps, no right to make. It was a compromise that the representatives of the French Catholic minority made with the representatives of the English Protestant majority and it was then agreed upon, that a modus vivendi would exist, in order that harmony and peace might predominate in the country and that there might be a court established here to provide for divorce cases. It was, in other words, the tolerance of a social evil. Ever since that time, those who were at the helm of the affairs of the country have recognized the mutual concession agreed upon and have observed it. From time to time, members have risen in this House in an effort to establish divorce courts, to widen the scope upon which divorce might be obtained or to suggest new motives for the granting of relief. But, I must say, to the credit of the representatives of our English speaking fellow-citizens that these statesmen came to an understanding with the representatives of the French race so as to preserve Confederation within the sacred principles upon which it had been founded. I shall mention but one incident to that effect. In 1875, a member rose in this House to request the establishment of divorce courts so as to facilitate the granting of relief in this country, and the Prime Minister of the day, Sir John A. Macdonald, made the following statement which is reported as follows in the Hansard of that date:

> So far as his own personal opinion was concerned, he would vote against the resolution, for there was no reason why we should establish courts of divorce in Canada. While he would not go as far as the hon. members from Lower Canada, and declare that divorces should not be granted under any circumstances, he thought there should be no encouragement given their procurement.

And further on he says:

> Amongst the moral triumphs which Mr. Gladstone had achieved there was none so great as his defeat when he protested against the establishment of a divorce court in England, which had not been productive of any beneficial effects.

Further on he still adds:

> While divorce was not prohibited in Canada, and while parties to domestic misery and unhappiness might obtain relief, nevertheless under the present system no encouragement was given to those cases, and he would be very sorry to see any tribunal established which might be the means of inviting other dissatisfied couples to apply for a divorce.

The practice of those who have taken part in the administration of the affairs of the country has always been to oppose measures which aimed at widening the bases of this legislation of tolerance. They did not wish to further encourage divorce, and they always strived to maintain within reasonable bounds this intricate question of divorce. As a Canadian citizen it is quite proper for me to state that, guided by the British North America Act and the views expressed by the statesmen of this country, we are right in opposing divorce.

It was argued in the course of this debate that there were, in this House, a number of members who thought that the bill contained no obnoxious clauses against Catholics or those who represented the minority, and consequently there existed no grounds for us to oppose such a measure. We protest because it is our right to do so, because we believe it our duty to combat the social evil which spells divorce and that if we must tolerate it, we shall only do so in a measure conforming with the carrying out of the compromise agreed upon. And, one should be grateful to us for the stand, because we show by our attitude that we are attached to our traditions, institutions and to the British North America Act, and thereby prove the interest we take in the whole country. One should be grateful to us, because in taking this stand we claim to be in the right path, and were we but a few in this House, to protest, I feel confident that we are right in the end and that divorce should be restricted within the most limited bounds or disappear entirely. It is in the countries where morals are more or less forgotten that we find these divorce laws, which are the desecration of a sacrament. In a young country like ours, it is well that we should shun any such legislation of a nature to make divorce still easier to obtain, instead of limiting it, and this is why we most strenuously oppose the adoption of the bill introduced by the hon. member for West Calgary (Mr. Shaw).

Mr. ANDREW McMASTER (Brome): Mr. Speaker, I have not had the pleasure of listening to this debate, but I think there are certain aspects of the question which, perhaps, it would be proper for me to emphasize in this House.

I am as desirous as anyone in this House to see divorce kept within proper limits. In my humble opinion there is about one cause and one cause only which gives to civilized people the right to dissolve the marriage bond; and if that right is granted—and it has been granted, Mr. Speaker, in every civilized nation in the world—then I think it is proper that that right should be granted to men and to women on an absolute equality. I would go further and say that it should be granted

not by committees of a legislature but by properly constituted courts. I am informed by those from the western province of Alberta that their courts are courts of divorce but that the law which comes from this parliament makes a differentiation between the grounds on which a woman and on which a man may obtain divorce. I say that is unjust; I say it is a crying injustice; I say it is a flagrant injustice; I say it is an injustice which should be remedied by this House in passing this bill.

There are those, Mr. Speaker, who conscientiously are opposed to divorce. It may be part of their religious tenets to be opposed to divorce. I have no quarrel with such. I believe in religious freedom, and in my idea religious freedom not only demands that one should be allowed to practise what he believes to be true but it demands also that he should allow others to practise what they believe to be true. We have striking examples in countries not far away from us of the scourge which a too loose form of divorce may bring about. We are all sensible of the warning which the condition of such nations holds out to us. But I say that it would be unfair for people who hold different views on the question of divorce—views which, perhaps, are held by the majority in their own province—to say that people in another province holding different views should be prevented from having those different views applied fairly. That, it seems to me, is the great point in this case.

If this bill is passed it will not affect the rights of those who pertain to the oldest branch of the Christian church. No one is obliged to appeal to a divorce court; no one who holds contrary religious beliefs is obliged to apply to have his marriage dissolved. The founder of our religion himself gave one ground on which divorce was allowable and surely we are not going to set up a higher morality than the founder of our religion has himself set up. I make this appeal to those who are opposed to the bill. I make the appeal for something I have fought for all my life, and that is for religious freedom and for the harmony which I wish to see exist among the different religions and the different races of this country, a harmony which can only exist if people hold fast to those things which they believe to be true. I ask no one to forego one jot or tittle of his religious conviction, but I do ask that he grant to others the right to disagree with him and to have such legislation as will allow him to have what he believes to be fair done before the courts of this land.

Mr. HAROLD PUTNAM (Colchester): Mr. Speaker, at the outset of a very few remarks I confess much sympathy, perhaps as respects my vote a controlling sympathy, with the motion put forward by the hon. member for West Calgary (Mr. Shaw) I hope that none have offended the religious susceptibilities of others in this debate. Indeed, this parliament ever since confederation has been a great exemplar of the fulfilment of the duty we owe to respect the opinion of our neighbour in matters religious and even in matters political. I cannot accept as an axiom that divorce in itself is an evil, though I sympathize with those whose religious teaching does lead them to that conclusion. If the good resulting from divorce, if the releasing by human agency of couples from positive cruelty and hardship, wherein one is so often innocent—if these benefits outweigh the so-called evil of divorce itself, I could not subscribe to the doctrine that divorce is per se an evil, although there is a body of gentlemen in this House, whose opinion I respect very highly, who do hold that belief. But had I that belief, as the hon. member for Swift Current (Mr. Lewis) professes he has it, I could not see the logic of taking the ground that he does—of supporting the bill now before us—because after all is said and done, viewing the matter most charitably, the result of this bill will be undoubtedly to enlarge the number and scope of divorces in our four western provinces.

Mr. LEWIS: The hon. member will admit that I said that as long as divorce was a state institution I would support equality amongst men and women. That is why I would vote for it.

Mr. PUTNAM: Precisely; I did not misrepresent the hon. member. He made it a basis of his position that he had followed the proceedings in the divorce committee of the Senate, that he had fought divorce in this House and had sometimes succeeded; that he had killed the request for divorce wherever he could. I understood him, therefore, to be absolutely opposed to it. He said, however, that if this evil was to be maintained he wanted equality of cause for dissolving the marriage tie as between the man and the woman. I was unable to see the logic of that, if I should accept his premises.

I do not hope, Mr. Speaker, in my few words to say anything that will be new to any lawyer in the House, but if I can use-

fully elucidate one part of the argument of the hon. member for West Calgary I feel it my duty to attempt to do so lest he may overlook the point or neglect to refer to it in the concluding remarks which I assume he will make. He pointed out that though the husband in the four western provinces might divorce the wife for the cause of infidelity alone the wife has not there a reciprocal privilege enjoyed by her sister in England, but that if she sought to divorce the husband she could only be successful in the courts of our western provinces of Canada, if, in addition to that infidelity, she proved a cause of great cruelty or a cause of unjustifiable desertion on the part of the husband. Now cruelty is not taken by the court in the popular but in a very strict legal sense of that word, and I shall attempt, not to exaggerate, but to show the vast disability there is against the woman in this respect.

There are two kinds of cruelty in the eyes of the courts, and of the divorce court of this parliament, I believe—physical cruelty and mental cruelty. Physical cruelty is easily susceptible of proof. The man who is coward enough to strike a woman or to use actual physical cruelty in any form against her is easily found out, and if the woman is equipped with the necessary cash to carry on her suit she will probably not have any difficulty in getting the necessary evidence of physical cruelty; but it is much more difficult to prove mental cruelty. On the one hand, we have the wife, who may have been guilty of one isolated case of infidelity, subject to being divorced. On the other hand, the husband might have been living a life of open infidelity, but the wife could not secure a divorce from him on that ground alone. She must supplement that with these ancillary grounds, and the ground she finds most difficult to prove is mental cruelty. She may come before the courts and prove that her husband exercises a great many forms of mental cruelty against her, using that word in its popular sense, but the court guided by the decisions from which the hon. member for West Calgary (Mr. Shaw) so usefully read this afternoon, sets itself the stern task of deciding whether that cruelty be sufficient to destroy her health, or directly and unequivocably calculated to do so. You see at once, Mr. Speaker, that that is an absolutely drastic, a very hard, and a very unfair test; but it is illuminating as showing the vast disability there is between the status of the man and that of the woman when they apply for divorce in our western provinces. The court may say, for example, in the case of a woman in frail health, that if the husband persisted without cause in calling her a harlot, if he persisted in abusing her church and her religion, and in teaching the children infidelity instead of Christianity, that that constituted mental cruelty, and that would allow her to succeed in her case; but the same judge might decide in the case of a healthier woman that reprehensible as the husband's conduct was it did not constitute mental cruelty such as was calculated to break down the wife's health. So you can see at a glance, Mr. Speaker, there is a far greater legal disability against the actual status of the wife than appears on the surface. If I have elucidated that, I have accomplished the main purpose for which I rose.

Before taking my seat, I wish to say that I enjoyed very much the address of the hon. member for Southeast Grey (Miss Macphail). That hon. member never speaks without giving me at least some useful viewpoint peculiar to woman.

Mr. McMASTER: She touches no subject she does not adorn.

Mr. PUTNAM: I concur. In this particular case I know that throngs of the sterner sex will fervently hope that she spoke but personally when she came out generally against marriage, and will equally hope also that she spoke in the light of that wide and untrammelled privilege which every woman has, in spite of any feminine disabilities, of changing her mind at any time.

Mr. PIERRE F. CASGRAIN (Charlevoix-Montmorency) (Translation): Mr. Speaker, before the question is put, I deem it my duty, seeing that this motion is again before the House, to reiterate the objections which I had the honour to raise, on March 19, 1924, against such a measure introduced under the form of a resolution by the hon. member from West Calgary (Mr. Shaw) and who, to-day, introduces it as a bill.

The remarks which I uttered on that occasion, following on those of the hon. members who have just preceded me in this debate,—and I am glad to be once more in their company—will be found at page 495 of Hansard of last session. I then set forth the reasons which militate against the resolution. In my opinion the same reasons carry more weight at present against the bill of the hon. member for West Calgary (Mr. Shaw) which if adopted will have force of law, and I, therefore, cannot do better than to very strongly protest against this bill and bring to bear all and each of the arguments of last year.

I was not present this afternoon, when the hon. Minister of Justice (Mr. Lapointe) ex-

pounded the grounds upon which exception should be taken to the adoption of this bill. I believe that, in the course of his remarks, so I am informed, he expressed the views of the province which he represents, of the nationality and religion to which he belongs. All those who spoke after him—and particularly the hon. member from Labelle (Mr. Fortier) whom I wish to congratulate—have expressed exactly the views of the province of Quebec and of all those who adhere to the Roman Catholic Church.

I am satisfied that we should not in the present circumstance take another stand than the one we took last year, that is protest against the passing of any such measure. It is, therefore, with pleasure, Mr. Speaker, that I shall register my vote against the bill.

Mr. SPEAKER: Is the House ready for the question?

Mr. SHAW: Mr. Speaker, in concluding the debate upon this important subject, I must express my appreciation of the manner in which it has been received. Speaking generally, I think the subject has been discussed freed from bias of any character whatsoever, and I trust that this parliament may in its good judgment come to the proper and the sound conclusion in the matter.

Fortunately my statement of the law has not been found wanting in any particular. I call to witness the support of the hon. Minister of Justice (Mr. Lapointe) of the legal viewpoint which I have expressed here to-day. Then, too, all have recognized the inequality that exists to-day between the man and the woman, and that is the simple problem before this parliament. If my premises are correct, if inequality exists, then what does this parliament propose to do about it?

I listened with admiration to the oration with which the hon. member for Bellechasse (Mr. Fournier) favoured us this afternoon. He constituted himself, and I do not object at all, the guardian of the sanctity of the home; but I ask him not to deny to other hon. gentlemen, including myself, exactly that same duty of guardianship. I take it, if I express the feeling of those who favour this bill, that we have no desire to wreck the home. Our only desire is to preserve the home; but we are not going to be misled in the matter. We are not going to say that just because there is no divorce everything is in a perfectly sound and splendid condition. As a matter of fact, as I pointed out to the hon. member for Bellechasse when I interrupted him this afternoon, divorce is not the disease at all. Divorce is simply one remedy which is proposed for the disease which does exist. Nor do I agree with the hon. member for Kindersley (Mr. Carmichael) who, although from western Canada, finds it in his heart to oppose this effort at securing equality. I do not agree with him in his viewpoint. I do not agree with him when he tells us that he sits here amused while the "divorce mill," as he called it, of this parliament grinds out its sessional quota. I see nothing at all amusing in those circumstances. It seems to me that anyone with the faintest realization of his duty must feel, in the presence of these numerous divorce bills which come before us session after session, that behind each one of them there is a human tragedy, that behind each one of them there is something wrong—there is some deep, fundamental cause which, so far as possible, it should be the duty of parliament to eradicate if it can. Divorce is not a disease; divorce is simply an attempted remedy for the situation as it exists.

Now, it has been suggested by some hon. members, who have conscientious objections to this matter of divorce, that we should impose similar restrictions upon the husband who seeks relief as is now imposed in the four western provinces of Canada upon the wife who seeks relief from an erring husband. Well, if one thinks of these two individuals, man and woman, thinks of their physical capacities and physical disabilities, what would you say to one who asks a husband, for example, to prove not alone adultery but, in combination with that, the offence of cruelty as defined by the courts in the Old Land. To establish such cruelty the husband would have to prove a cruelty which produced "physical illness or mental distress of a nature calculated to effect permanently his bodily health or endanger his reason, or that there is reasonable apprehension that the same state of affairs will continue." Surely no reasonable person will ask that an imposition of that kind be placed upon a man before he could secure a divorce even if the offence of adultery is committed. As I stated this afternoon, Mr. Speaker, the great offence so far as the marital relation is concerned is the offence of adultery. I am satisfied to make it the only offence justifying a decree of divorce; but do not attach to it other offences which, so far as human beings are concerned, are forgivable, whereas infidelity in most cases is totally unforgivable. I ask, Mr. Speaker, that the House now pass this bill.

The House divided on the motion (Mr. Shaw) which was agreed to on the following division:

YEAS

Messrs:

Anderson,	Lovie,
Arthurs,	Lucas,
Bancroft,	MacLaren,
Baxter,	MacLean (Prince, P.E.I.),
Bird,	Maclean (York),
Black (Huron),	Macphail, Miss,
Black (Yukon),	McBride,
Bowen,	McConica,
Boys,	McKillop,
Brethen	McMaster,
Brown,	McMurray,
Caldwell,	McQuarrie,
Campbell,	McTaggart,
Clark,	Malcolm,
Coote,	Martell,
Davies,	Maybee,
Dickie,	Meighen,
Elliott (Dundas),	Millar,
Elliott (Waterloo),	Milne,
Euler,	Morrison,
Evans,	Motherwell,
Fansher,	Munro,
Findlay,	Murdock,
Forke,	Neill,
Forrester,	Preston,
Gardiner,	Pritchard,
Garland (Carleton),	Putnam,
Good,	Robinson,
Gould,	Ross (Simcoe),
Guthrie,	Sales,
Hammell,	Senn,
Hanna,	Shaw,
Hanson,	Sheard,
Harris,	Simpson,
Hatfield,	Sinclair (Oxford),
Hodgins,	Sinclair (Queens, P.E.I.),
Hoey,	Snowball,
Hopkins,	Speakman,
Hubbs,	Spencer,
Hughes,	Stansell,
Humphrey,	Steedsman,
Irvine,	Stevens,
Jelliff,	Stewart (Argenteuil),
Kay,	Stewart (Hamilton),
Kelly,	Stewart (Humboldt),
Kellner,	Stewart (Leeds),
Kennedy (Edmonton),	Stirling,
Kennedy (Port Arthur & Kenora),	Thurston,
	Tolmie,
King (Huron),	Wallace,
King, Mackenzie (York),	Ward,
Knox,	Warner,
Leader,	White,
Lewis,	Wilson,
Lovett,	Woodsworth.—109.

NAYS

Messrs:

Béland,	Chevrier,
Benoit,	Chisholm,
Binette,	Copp,
Bouchard,	Delisle,
Boucher,	Denis (Joliette),
Bourassa,	Denis (St. Denis),
Bureau,	Desaulnier,
Cahill,	Descoteaux,
Cardin,	Deslauriers,
Carmichael,	Doucet,
Carroll,	Duff,
Casgrain,	Finn,
Chaplin,	Fiset (Sir Eugène),
Charters,	Fontaine,
Fortier,	Mercier,
Fournier,	Michaud,
Gendron,	Ouimet,
Gervais,	Papineau,
Gordon,	Pelletier,
Graham,	Pouliot,
Healy,	Prevost,
Hushion,	Raymond,
Johnston,	Reed,
Kennedy (Glengarry & Stormont),	Rinfret,
	Roberge,
Kyte,	Robitaille,
Laflamme,	St. Père,
Lapierre,	Savard,
Lapointe,	Séguin,
Macdonald (Pictou),	Stork,
McGiverin,	Tobin,
McIsaac,	Vien,
McKay,	Walsh,
Marcile (Bagot),	Woods.—68.
Marler,	

PAIRS

(The list of pairs is furnished by the chief whips).

Messrs:

Halbert,	Mareil (Bonaventure),
Drummond,	Parent,
Sexsmith,	Lanctôt.

Mr. BEAUBIEN: I was paired with the hon. member for West Toronto (Mr. Hocken). Had I voted I would have voted against the the bill.

Bill read the second time and the House went into committee thereon, Mr. Gordon in the chair.

Sections 1, 2 and 3 agreed to.

On section 4—Service of process.

Mr. BAXTER: Has the hon. member who introduced the bill given any consideration—I presume he has—to the possible constitutional aspect of clause 4? As I take it, the British North America Act provides that the procedure in court is a matter for the local legislature. This parliament can legislate as to the conditions of marriage and the conditions of divorce. I doubt if it can establish the procedure in a provincial court. The divorce courts are provincial courts, and I would very much doubt whether any federal legislation as to service of process would be valid, and if there is a serious doubt about it, I question whether it would be wise to insert in a bill something which may cause a great deal of difficulty to the interested parties. I suggest that it would be wiser to omit this clause and leave the matter to the regulation of the court, where it would naturally fall.

Mr. SHAW: I am glad the hon. member for St. John and Albert (Mr. Baxter) has brought the clause to the attention of the committee. It is not a matter that is without difficulty. I can readily understand how the matter of service of a process within the jurisdiction of a province is properly a matter

of procedure, and consequently should not be provided for in this bill. But when the person upon whom the service is sought to be made resides outside the jurisdiction of the court, then it is a very grave question indeed as to whether it is not something more than a mere matter of procedure, but rather a question of jurisdiction. I think my hon. friend from St. John and Albert will at once realize that situation, and if such a provision were not in the bill, undoubtedly the bill would largely become inoperative. But even if it is unnecessary it will not in any event invalidate other than the particular section itself, and it seems to me it cannot possibly do any harm. It may, on the other hand, be a matter of jurisdiction which may be vital to the bill having any real value in its operation.

Mr. BAXTER: It seems to me a great pity that in a matter of this kind which is of some importance we should not be able to hear what my hon. friend from West Calgary (Mr. Shaw) is saying. If we are going to discuss public bills, I think there should be such cessation from private conversation as would enable members to be heard.

Mr. McBRIDE: I might remark that we cannot hear what the hon. member is saying now.

Mr. BAXTER: I can assure my hon. friend that I can make anyone in this House hear me, but I do not care to use my voice to that extent unnecessarily. If the hon. gentleman who has spoken will provoke me sufficiently I will speak quite loudly.

Mr. McMASTER: Then let somebody provoke the hon. member.

Mr. BAXTER: If we have just reasonable quietness in this chamber a very ordinary tone is quite sufficient to render one audible in any part of the House, according to my experience. I understand my friend from West Calgary shares the doubt about this matter. If he shares that doubt it is no longer a trivial matter. It is an invitation to a possible litigant to proceed along lines which may be utterly unsafe; and therefore I think that would be an excellent ground for dropping the clause. We are all familiar with the principle of divorce jurisdiction. The matrimonial domicile is always the domicile of the husband, and whatever jurisdiction he is subject to has power to reach him. The divorce proceedings I understand are administered in the western provinces by the ordinance courts. Those courts have ample power to send their processes outside of the jurisdiction of the province, and I would rely on the province in that respect. I do not want to urge the matter too strongly, but I would invite the opinion of the Minister of Justice (Mr. Lapointe), who, I trust, will express his view. I feel it would be much safer for the litigants if this clause were expunged. Let the litigants rely on the general authority of the court rather than insert a clause which might cause great difficulty in dealing with one of the most important things in life. People relying on this clause might find that after the proceedings had been taken they had obtained no real divorce. If you rely on the general jurisdiction of the court you will be perfectly safe. I am not raising this point in a spirit of fault-finding or criticism—I think my hon. friend will agree —but I feel it is a serious matter and that parliament should give its best attention to it, having passed on the general principle of the bill.

Mr. LAPOINTE: I think this section is unnecessary. The purpose of the bill, as my hon. friend very ably explained is to secure equality in the grounds of divorce for both men and women. This is obtained by other sections of the bill. This section refers only to the service of the document, and surely provision for such service exists at the present time. You have your courts in all those provinces, actions are instituted, and there must be a method of service already in existence. I do not see why this section is necessary to secure what my hon. friend has in his mind.

Mr. MARTELL: I do not want to interpolate anything in regard to this matter. It is seldom I can agree with my hon. friend from St. John and Albert (Mr. Baxter), but I think it is perfectly plain that while the matter of setting forth what the law should be in regard to divorce is one altogether of federal jurisdiction, the matter of the procedure to be applied is one of provincial jurisdiction. This clause which my hon. friend from West Calgary (Mr. Shaw) has inserted in the bill is purely a matter of procedure. Therefore it is a matter of provincial jurisdiction. Now when you come to our courts, the jurisdiction is determined first as to what shall be the grounds for divorce, both as regards men and women; and the hon. member for St. John and Albert has said that this simply refers to equality as regards men and women as to the reasons for securing a divorce, and that is the reason why I voted for the bill. In certain provinces of Canada there are divorce courts, and the procedure in these divorce courts is regulated by provincial jurisdiction or provincial procedure.

The judges formulate the rules of procedure to be followed in order to obtain a divorce. The grounds for divorce are set forth in the federal act, and it seems to me that this is all that my hon. friend is seeking. The method of procedure is, of course, a matter for provincial jurisdiction. In civil matters the provincial court prescribes what shall be the proper service of a writ, and in the same way that court will decide under this legislation what the necessary procedure shall be in serving a writ in cases of divorce. We all know that if a person wishes to secure leave to issue a writ he goes to a judge in chambers and makes his affidavit, setting forth his grounds and cause of action, and the judge gives him the right to issue the writ for service under jurisdiction. If a person happens to be a British subject residing under jurisdiction then he has leave to issue the writ; if he happens not to be a British subject and not residing in the Dominion, then he gets only leave to serve notice of his writ, and the court provides for substituted service. In this particular instance, the bill before us confers on the court a power to decree divorce, giving equality of grounds as between men and women. But the question of procedure should be left to provincial jurisdiction, for the judge to provide how the writ shall be served, and what shall be regarded as proper direct service or substituted service. Procedure is always a matter of provincial jurisdiction, and I am afraid that my hon. friend (Mr. Shaw) is introducing in his bill something which might eventually give rise to litigation or to an endeavour to set aside a divorce once it had been obtained, on the ground that the method provided in the bill as regards service was irregular and ultra vires of the federal parliament. When the hon. member gets equality as between men and women in regard to grounds for divorce, I think he is getting all that the federal parliament can give him, and he would be safe in following the advice of my hon. friend (Mr. Baxter) and letting the provincial courts provide the procedure in this case, as they do in all civil matters.

Mr. SHAW: I am glad to have the fortification of the opinions expressed by the hon. member for St. John and Albert (Mr. Baxter), by the Minister of Justice (Mr. Lapointe), and by the hon. member (Mr. Martell). Under the circumstances I move that clause 4 be struck out.

Amendment agreed to.

Bill reported.

[Mr. Martell.]

YUKON QUARTZ MINING ACT—AMENDMENT

Mr. GEORGE BLACK (Yukon) moved the second reading of Bill No. 6, to amend The Yukon Quartz Mining Act.

Hon. CHARLES STEWART (Argenteuil, Minister of the Interior): Does the hon. member intend moving that this bill be referred to the committee?

Mr. BLACK (Yukon): I intend moving, after the bill gets its second reading, that it be referred to the select standing committee on Mines, Forests and Waters.

Motion agreed to, bill read the second time and referred to the select standing committee on Mines, Forests and Waters.

POST OFFICE AMENDMENT

On the Order:

Second reading of Bill No. 7, to amend the Post Office Act.—Mr. Church.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I have a memorandum from the Postmaster General (Mr. Murphy) intimating that he has an understanding with the hon. member (Mr. Church) that this matter will be gone on with next Wednesday. Possibly the hon. member will confirm that statement.

Mr. CHURCH: Will the Prime Minister fix a day?

Mr. STEVENS: May I point out that this order will scarcely be reached on Wednesday next, unless I am seriously mistaken. And this is the fourth Thursday, so that in all probability it will not be reached next Thursday either.

Mr. MACKENZIE KING: The Postmaster General is not here, but as I have stated, he sent me a letter intimating that if the bill were called he had an understanding with the mover of it that it would not be gone on with until Wednesday next. As to the likelihood of its not being proceeded with then, that is a matter in regard to which there may be some doubt. However, I undertake that an opportunity will be given for the discussion of it at some future time.

Mr. CHURCH: Would the Prime Minister have any objection to the bill being read the second time now and having the debate later?

Some hon. MEMBERS: Stand.

Mr. SPEAKER: Stands.

INDIAN ACT—AMENDMENT

On the Order:

Second reading of Bill No. 9, to amend the Indian Act.—Mr. Coote.

Mr. COOTE: The minister (Mr. Stewart, Argenteuil) has asked that the bill be allowed to stand.

Order stands.

YUKON TERRITORY OFFICIALS—INCOME TAX EXEMPTIONS

On the motion of Mr. Black (Yukon):

For a copy of all correspondence, documents, statements and communications concerning exemption or partial exemption from payment of income tax on payments or remuneration, whether paid as salary, living allowance or otherwise, by the government of Canada to officials of Yukon Territory, and showing what exemptions (if any) from income tax have been allowed to Yukon officials on amounts paid them by the government of Canada during the past seven years.

Mr. BUREAU: I would ask the hon. gentleman to let this notice of motion stand. There are certain provisions in our act preventing the disclosure of any return made by individuals, and not being thoroughly familiar with those provisions, I am not ready to discuss the matter now. I would therefore ask the hon. gentleman to let his motion stand so I may have an opportunity of seeing the Commissioner of Taxation.

Mr. BLACK (Yukon): I have no objection to letting the motion stand if I am assured that it will come up again, and that I shall have an opportunity of discussing it if it is opposed.

Mr. BUREAU: Yes.

Mr. SPEAKER: Stands.

GREAT LAKES LEVELS

EFFECT OF DIVERSION OF WATER BY CHICAGO DRAINAGE CANAL

Mr. T. L. CHURCH (North Toronto) moved:

That, in the opinion of this House, the government should take some definite and immediate action to prevent the illegal diversion of the waters of the Great Lakes through the Chicago drainage canal and that action should be taken to prevent further waste and to secure specific enforcement of the treaty between Canada and the United States as to this matter, inasmuch as this diversion is not only seriously lowering the lake levels, but is a danger to the public works of Canada and its provinces and an interference with the harbour developments of our country and with navigation and is such a direct violation and breach of the treaty as calls for immediate action by the government of Canada.

He said: Mr. Speaker, last session this same resolution came up with reference to the diversion of waters through the Chicago drainage canal. Under the Boundary Waterways treaty 1909, made between Great Britain and the United States, Chicago was allowed to divert 4,167 cubic second feet of water from the Great Lakes. Now that city is asking in effect for a diversion of between 16,000 and 17,000 cubic second feet. I do not intend to-night to again go into the whole history of the case, as I laid the facts before this House last session and they will be found in Hansard of March 26, 1924. But I am very much dissatisfied that the government of Canada during the past twelve months has taken no adequate steps to stop this illegal diversion by the city of Chicago. I contend that instead of sending to Washington a minor official of the Department of the Interior, to appear before the Rivers and Harbours committee of congress, and also before Mr. Weeks, the United States Secretary of War, to protest against the illegal action of the Chicago authorities, the government should have made its protests and communicated with the British government, which through its ambassador at Washington would have protested to the government of the United States. This is not a matter for individual citizens of Canada, but for the two governments concerned. Principles are bigger than individuals, and we shall never get any relief from this chronic state of affairs until we proceed through the proper channels of communication, and have all the cards laid on the table. This diversion is nothing but piracy and is ruining the light and power interests and the public works on the Lakes, the Niagara and the St. Lawrence rivers, is lowering the levels of all the harbours on the Great Lakes and the St. Lawrence by several inches, and it has been estimated by many engineers on the Canadian side that the damage in an economic way to Canadian light, power and navigation interests amounts to no less than $35,000,000 a year. Are we to send minor officials to Washington? Washington is not the capital of Canada; Ottawa is. Is the British government to be ignored altogether in regard to the enforcement of the Boundary Waterways treaty? Is this treaty, so far as any application through the government of the Mother Country is concerned, to be allowed to be treated as a scrap of paper by the United States government? There are great national and international interests involved, the lowering of the water levels is affecting navigation and seriously jeopardizing the usefulness of the harbours of the Great Lakes and the St. Lawrence; it is also prejudicially affecting power rights, and the rights of riparian owners also are in-

volved. This lowering of the levels is a menace to navigation on both sides of the border as has been proven time and again, and the resultant damage to shipping and trade and commerce is enormous.

It is most important that the Canadian and British governments should take some action in this matter as governments and not merely send two or three officials down to Washington to join private citizens. What can they do.? They cannot accomplish anything; they can only go around in a circle. The Prime Minister said recently in the House, when questioned on the orders of the day, that Canada's representative held a watching brief; a watching brief before whom? I say that Canada, through the British government should immediately call on the government of the United States to respect the boundary waterways treaty and to deal with the law breakers, the sanitary drainage authorities of Chicago, who for the past eight or ten years have apparently regarded this treaty as a scrap of paper. The interests of navigation should be paramount, and they are made paramount by treaty. Ontario and Quebec are vitally interested from the standpoint of water-power, because Canada's share of these surplus waters which are not required for navigation purposes may be developed for the purposes of power and the surplus waters including the bed of the rivers, the banks and rapids belong to the provinces.

But while these provinces have an interest in the matter it is recognized that the federal governments of both countries alone are interested from the view of navigation. This matter was debated in the House on March 26 of last year, when I moved a similar resolution, and attention was called to the great damage that had been done to the lake levels by this diversion. It was hoped that something would be done during the recess of parliament but I am not satisfied with what has been done; in fact, nothing definite at all has been done except to have representatives of Canada listen to a lot of American politicians talking in the Rivers and Harbours committee and having Canada represented before some one United States cabinet minister at Washington; Canada's representative being mixed up with a lot of private Canadian citizens and others in Washington politics. When we have a treaty it should be adhered to. There is an International Joint Commission before whom this case should be taken with a view to obtaining relief for Canada from an intolerable state of affairs. The Canadian government are only wasting their time.

[Mr. Church.]

The authorities of the city of Chicago have made a football of this matter for the last ten or fifteen years. True it is that last fall the final judgment of the Supreme Court of the United States was given, but it was away back in 1911 when the matter first went before the courts. First Judge Landis handed down his decision. Appeal was taken to the state courts and on to the Supreme Court of the United States, who held that the city of Chicago was illegally diverting water in violation of the treaty. When a treaty is made with a foreign country, especially with the United States, people of our own kith and kin, surely it should be respected and they should not be allowed to treat it as a scrap of paper.

I am glad to say there is a widespread organization along the Great Lakes and on the upper lakes on both sides of the border against the Chicago pirates, in the cities of Detroit, Cleveland and other cities and towns on the American border, who are all organizing a league against the city of Chicago and are opposing its demand that it be allowed to steal this water out of the lake in perpetuity,—take it away from Canada and divert it to the purposes of a greater sewage system. Why do they not set up a modern system of sewerage as every other city on the Great Lakes has done? Why, if every other city on the Great Lakes did what Chicago is doing there would not be enough water in the lower gulf or lower river to enable small ships to come in.

Not satisfied with the diversion of 12,000 cubic feet per second more than the 4,167 cubic feet allowed by the treaty, the city of Chicago are utilizing a lot of this water for sewage purposes and to generate power for distribution in the district of Chicago to private power users. The treaty is as clear as daylight; there can be no doubt about its construction or interpretation. It provides that there must be no diversion in excess of 4,167 cubic feet per second and that any diversion in excess of that amount must have the joint consent of the two countries. But the city of Chicago do not propose to get the consent of the two countries; they do not propose to get even the consent of their own country; they simply take the law into their own hands, ignore the courts and their own government and go on diverting that amount of water. The courts for years issued injunctions restraining them, but the courts have no way of carrying out their injunctions. Having been beaten in the court of last resort the authorities of the city of Chicago are now appearing before the Secretary for War and asking that in the interim, until such time as they can adopt a new sewage system

and until such time as they can arrange to get direct current for commercial and domestic lighting elsewhere, they be allowed to continue this diversion.

What is Canada doing in this matter? Last Friday on the orders of the day I asked who was representing Canada and I took objection to the number of private individuals going down there and saying they were representing this country. These people, without consulting the government in any way, have gone down to Washington as self-appointed representatives of Canada to protest to the government of a foreign country and a foreign Secretary of War with regard to the enforcement of a bona fide boundary waterways treaty made between Great Britain and the United States. I never heard of such a proceeding as going over the heads of the Canadian and British governments and the British ambassador. It has hurt Canada's case before the government and the people of the United States and has resulted in a counter attack on the Hydro and Niagara Power systems. Now, there never was any illegal diversion by Canada of waters from the Niagara river; in fact, the people of Canada are taking less water from the Niagara river than the treaty gives them and a large part of what they do take is exported back to the United States in the form of electrical energy for commercial purposes. As a result of these gentlemen going down to Washington and saying they represented Canada an attack has been made on the light and power projects of Ontario on the Niagara river which never were attacked before, in the hope that attention might thereby be turned away from the diversion of water from the Great Lakes for the sewage purposes of Chicago.

We on this side of the House would do anything possible to help the government to accomplish some definite result because our interests over there are being sacrificed by the manner in which the Chicago people have taken the law into their own hands. I do not criticise the minister; he has been active in this power development proposition all over the country. But I would like to find out from him, first, what he has done to call the attention of the British government to the breach of this waterways treaty; second, what has the British ambassador at Washington done; and, third, who appoints all these private people who are going down there and saying they represent Canada? Just think; they are going down there to represent Canada before the government of a foreign country regarding the diversion of water and the matter of an international treaty between Great Britain and the United States concerning those boundary waters. How do these representatives get passports? They do not represent Canada, and the United States will pay no heed to their representations unless this House and this government get busy and stop the piracy on the lakes. The various harbour works all along the Great Lakes have been interfered with by this diversion, both on the Canadian and the American side. At Detroit, Cleveland and Buffalo the levels are away below what they have been for years, and on the Canadian side, on the St. Lawrence river and lake Ontario from Prescott west as far as Toronto and Hamilton the levels have dropped many inches and in some cases from two to three feet, causing great injury to trade and navigation, and to the development of Canadian ports and power interests. A lot of power plants and waterworks on lake Ontario and the Niagara river are also in jeopardy by reason of this diversion. The levels have also fallen on the Detroit river, lake Erie, lake Huron, Georgian bay and the lower St. Lawrence.

Mr. Speaker, a treaty should be respected as a treaty, especially when it is made between the United States, the Mother Country and Canada. Canada has adhered strictly to the letter of the treaty. It is not using even all the water it is entitled to in the Niagara river, while the United States government is allowing Chicago to divert this vast volume of water. Hon. members will find a complete history of the whole case, the legal and engineering side, and further details with regard to this diversion by Chicago on page 706 of Hansard of March 26, 1924, in the debate on my motion which occupied a whole day last session. The government of Ontario and Canadian municipalities are very much dissatisfied with the way things are going, and probably you cannot blame them for acting themselves although some of them think that Washington and not Ottawa is the capital of Canada so far as this matter is concerned. I do hope the minister will take the question up with the proper authorities. Canada has no right to appear before the Rivers and Harbours committee; Canada should not be represented before any committee or before the Secretary of War of the United States. There is a proper channel through which to take this matter up. It should be taken up through the British government and the British ambassador at Washington and the United States should be told in no uncertain voice that a treaty cannot be treated as a scrap of paper when it is made between Great Britain and the United States.

Canada should file a suit claiming damages covering a period of ten years at $35,000,000 a year and collect the amount from the United States through the government of Great Britain. The United States should be told that Canada will no longer stand for the violation of the treaty, and that it is the duty of the government of the United States to check up Chicago, this pirate of the lakes, for diverting this extra amount of water. Even if Secretary Weeks does give his judgment next week, it is not legal under the Boundary Waterways treaty, because Great Britain is the party of the second part to the treaty and one party alone to the treaty cannot give Chicago the right to illegally divert some 4,167 cubic feet per second without the consent of the other.

In conclusion I urge upon the minister that some definite action be taken, and that action should be taken through the British government and through the British ambassador at Washington and that a damage suit be entered to collect from the United States compensation for the damage and injury done. Well, let us send no more pilgrims to Washington. The Canadian government is responsible for seeing that Canada is protected from this piracy of Chicago, and it should take this matter up through the proper authorities, the British government or the British ambassador at Washington, and not shirk its duties and leave it to provincial and municipal authorities who however deserve credit for taking action when they could not get any results through Ottawa.

Hon. CHARLES STEWART (Argenteuil, Minister of the Interior): Mr. Speaker, I take it that the House after listening to the long discussion of last session with respect to the illegal diversion of water by the Chicago drainage system will not be interested in hearing a rehash of that same matter this year; but I should like to put my hon. friend from North Toronto (Mr. Church) right in one matter, and that is that this government have not agreed to the diversion of 4,167 feet, nor to the diversion of a single foot of water by Chicago.

I would also like to inform him that all official documents passing between the government of Canada and the government of the United States in respect to this matter have passed through the hands of the British ambassador at Washington, so that in protesting against the illegal diversion of these waters we have been using the proper channel of communication. More cannot be said than that.

With respect to my hon. friend's complaint as to individuals going down there unauthorized, of course, the government of Canada cannot very well stop individuals from going to Washington, nor can they stop them from making statements if they get an opportunity to do so, but I can assure him that they are not speaking on behalf of the government of Canada. In so far as representation of this government is concerned, it is quite true that we have had representatives watching the proceedings, and that policy has been pursued by this government for the past two years. We deem it wise to keep informed on every move that is made with respect to this matter, and for that reason Mr. W. J. Stewart has attended most of the sittings of the Senate committee and the hearings before Secretary of War Weeks with respect to this matter.

One other matter. The diversion itself is the result of an application made by the city of Chicago and granted by the Secretary of War for the United States. Objection has been taken by congress; objection has been taken by every city and state surrounding the city of Chicago; objection has been taken to the polluting of the rivers below Chicago by American representatives themselves; and what we are doing is to protest that they are not entitled, not to 4,167 feet, which my hon. friend has mentioned but to not one single foot of the water diverted. That has been the position which we have maintained religiously throughout the whole of this controversy. Of course, they may proceed to divert this water in spite of Canada's protest, and if Canada is to go to the extent of serving an ultimatum, that, of course, may be done; but my hon. friend knows full well that only by force can that sort of thing be backed up, and that is not the course we have decided upon. We believe that the pressure we have been able to bring to bear upon the American authorities through the British ambassador will have its effect, and I believe that is very apparent at the moment. My hon. friend will remember the decision handed down by the Supreme Court of the United States no later than last fall which declared the diversion illegal. A very vigorous fight is also being maintained in the committee of the Senate by those who are very strenuously opposed to this diversion. I hold in my hand a report from Mr. W. J. Stewart who was at the hearing before Secretary Weeks a few days ago, to the effect that they do intend to take active steps to stop this diversion, allowing, of course, a reasonable time for the city of Chicago to make other arrangements.

One other matter I should like to mention. It is undoubtedly an acute situation which prevails on the Great Lakes to-day. The

water levels in lake Superior and the upper lakes are 26 inches lower than they have been for some years. Indeed, since 1891 the lake levels have never been so low as they are at the present moment. The diversion at Chicago is estimated to lower the water in the Great Lakes, in lakes Huron, Erie and Ontario, to the extent of 6 inches. We have this undoubted situation because of the lower levels in the upper lakes and, of course, because of the illegal diversion of the water at Chicago. But we are objecting in a most strenuous way, we are not leaving any stone unturned in order to bring those protests through the proper channels to the attention of the American government. But, Mr. Speaker, I must deny—

Mr. MACLEAN (York): Are the American ports advancing a claim in the same way?

Mr. STEWART (Argenteuil): Yes.

Mr. MACLEAN (York): And are they making representations to the American authorities?

Mr. STEWART (Argenteuil): Yes. Their representatives are appearing before a committee in congress. The chairman of the Senate committee is Mr. Dempsey, of Buffalo. Every lake port on the American side has been complaining most bitterly, and has appointed delegates to attend the sittings of that committee.

Sir HENRY DRAYTON (West York): The minister is quite right when he says that he does not suppose that the House will want to have everything that was said last year rehearsed. I do not think the House would, I think no one would reasonably expect it. But the House would be very much more interested to know what progress has been made, to know why it is that we still continue to be in the position of having an obligation—which so far has not been denied—flouted.

Mr. MACKENZIE KING: In what way has it been flouted?

Sir HENRY DRAYTON: My right hon. friend wants to ask a question?

Mr. MACKENZIE KING: I am asking in what way the obligation has been flouted?

Sir HENRY DRAYTON: My right hon. friend was not listening to me. I asked why we are in a position of having an obligation, which as yet has not been denied, flouted? Surely the government know that water is still being taken? I assume that they know that. I would assume from what the minister immediately interested had said it would not be necessary to point out to the government that water is being taken. I would have assumed that it was not necessary either to point out that we had a treaty dealing with this matter. Why, that was admitted last year. What we are interested in knowing to-day is surely this: There is a treaty admitted. There is the admitted taking of the water. What is the reason the treaty is not observed? Is there any reason to be given, or are we to understand that the matter really is—

Mr. STEWART (Argenteuil): Does my hon. friend infer that there is a treaty allowing the American government to take any water?

Sir HENRY DRAYTON: No, no. I am afraid I shall have to go into the whole history of the matter again. I thought the minister understood the situation.

Mr. STEWART (Argenteuil): My hon. friend spoke about a treaty.

Sir HENRY DRAYTON: Certainly, the treaty in connection with the waters of the Great lakes, providing that they are not to be withdrawn. Well, there we are. There is the treaty, the water is still being taken, and we have not yet been told why. What is the reason put forward for the taking of the water? Is the reason really, as was almost in so many words stated by the minister—and I was very sorry to hear him stating it—that the only way the United States government can be got at is by an ultimatum, to be followed by force? Because that is what my hon. friend said.

Mr. STEWART (Argenteuil): Oh no, I did not. I said it was for my hon. friends to suggest what action should be taken. We have gone the whole distance with protest, what else would my hon. friend suggest?

Sir HENRY DRAYTON: Ah, I do not think the hon. member for North Toronto (Mr. Church) ever suggested force. The only suggestion of force that I heard came from my hon. friend the minister; I do not think he meant it.

Mr. STEWART (Argenteuil): Let me repeat what I said if my hon. friend will permit. I said that we had gone the whole distance with protest through the proper channels. Now my hon. friend suggests that there is some other course, that we have not gone far enough, and I should like to know what that is.

Sir HENRY DRAYTON: We do not know exactly how far the government have gone.

Mr. STEWART (Argenteuil): We will be perfectly willing to bring down the despatches.

Sir HENRY DRAYTON: Perhaps that will be the easiest thing to do, to table the despatches and then have this matter brought up another time. In any event I think it would be a good thing for the government that this motion should pass. It is merely backing up the government in taking the necessary action to look after Canada's rights. Do they object to it? I would assume not. If there is objection to it what is the objection? Is there not real sincerity in any action taken to look after Canada's water? I believe there is. Then why is there any objection to the House passing this resolution? I think the government should be asking the House to pass a resolution of the strongest possible kind in its aid. It really does seem to me, Mr. Speaker, a most extraordinary situation that a motion—which after all is really a motion asking the government to take any and all steps it can take to assert Canada's rights—should be objected to by anybody. There is another thing which seems to me to be very incomprehensible, and that is that in these two years—so far as the public know, so far as we glean from newspapers and the like—the question which is exercising public authority in the United States is not a question of solemn treaty rights, but is the question as to whether or not it is convenient to observe solemn treaty rights, just finding out where the balance of convenience is, whether this city here or that city there is going to be hurt more than Chicago will be helped. The effect of that would be lost a great deal if the government is in a position to take the House into its confidence. Now, Mr. Speaker, I am perfectly willing, if the mover of the resolution is also willing, that this matter should stand for the purpose of the papers being brought down. I understood the minister to say that he saw no objection to that course. If there is any objection I should like to continue my remarks.

Mr. STEWART (Argenteuil): There is no objection to bringing down the papers.

Sir HENRY DRAYTON: If my hon. friend says there is no objection I do not want to delay the House.

Mr. MACKENZIE KING: Proceed.

Sir HENRY DRAYTON: I do not know who is really—I suppose the right hon. Prime Minister—

[Sir Henry Drayton.]

Mr. MACKENZIE KING: We should like to dispose of this motion to-night.

Sir HENRY DRAYTON: With the undertaking that the papers will be brought down?

Mr. MACKENZIE KING: Yes, certainly.

Sir HENRY DRAYTON: Then may I ask if there is any objection to the motion?

Mr. MACKENZIE KING: There is objection to the motion. It implies that action has not been taken by the government whereas action has been taken—immediate and direct action as the despatches will show. Last session a return was placed on the table of this House, a printed copy of which I have in my hand at the moment; it contains several despatches, representations made through the British embassy to the United States government with respect to this very matter of the Chicago drainage canal. Since last year further despatches have been forwarded. In the meantime the United States government itself has been dealing with this matter in a most effective way, in a manner more effective than would be possible for any of the other parties concerned to deal with it because the United States government itself has taken the position, upholding the decision of its Supreme court, that water should not be diverted through the Chicago canal.

Sir HENRY DRAYTON: If the United States government takes that position the matter is settled.

Mr. MACKENZIE KING: We hope so.

Sir HENRY DRAYTON: If the United States government takes that position so far as Canada's rights are concerned it is the first we have heard of it, and this debate has served a useful purpose in bringing out that information. If it is taking the position that Canada is right and that this water ought not to be taken I have nothing to say.

10 p.m.

Mr. MACKENZIE KING: That was the decision of the Supreme Court of the United States a few weeks ago.

Sir HENRY DRAYTON: My right hon. friend is confusing the question of national rights with court rights. Canada's rights were never submitted to the Supreme court, never, and my right hon. friend misses the point entirely. Let me try and make it clear what the Supreme court did, and I hope that I will be interrupted at once if my statement is wrong: What the Supreme court did was to consider the dispute between American interests entirely—the right of Chicago to

obtain the water or not to obtain it. I think I am right in that, and what the Supreme court has done is to hold that Chicago has not the right.

Mr. MACKENZIE KING: That Chicago has not the right.

Sir HENRY DRAYTON: Yes, but my right hon. friend the Prime Minister has gone further; he has said that so far as the government of the United States is concerned they take the position that the water ought not to be taken away.

Mr. MACKENZIE KING: Yes, that is the view of the Supreme Court of the United States, supported by the government, as I understand it.

Sir HENRY DRAYTON: In what way do they support it? In the answers to the representations made by this government? If that is so, I am content. If our treaty rights are now acceded to, and the only matter is one of the United States government properly policing some of its own subjects, I think we can safely leave that matter to them, and I am perfectly satisfied. That is the first I have heard of it.

Mr. MACKENZIE KING: If the United States government is able so to adjust this matter, in the interests of certain American states, as to prevent a continuance of the diversion of the water, the problem will be satisfactorily solved so far as the United States is concerned; and if satisfactorily solved so far as they are concerned, it will be equally solved so far as Canada is concerned, seeing the same waters are affected.

Sir HENRY DRAYTON: I think the right hon. gentleman is right in one sense, but entirely wrong in another. He is right in the sense that if, as in the case he predicates, the majority of interests in the United States—that is American interests—is in favour of upholding the treaty, it helps undoubtedly; but it does not help very much on the other point, and it is rather a sad reflection if we are to approach this matter with the United States knowing that the regulations are only to be enforced if the preponderance of American interests calls for their enforcement. If my hon. friend tells me that the United States government have admitted, not rights in the water in Cleveland, not rights in the water at Detroit, not that as a result of the fact that Cleveland has rights and Detroit has rights that we get our rights that they have admitted, but rights in the water in Canada, I am content, and it is not worth while prolonging the discussion.

Hon. GEORGE P. GRAHAM (Minister of Railways and Canals): May I say a word about this matter? The object to be attained in this particular case is to stop what I submit is an illegal diversion of water at Chicago. If that can be obtained the discussion as to treaty rights between the United States and Canada is a matter that can be threshed out. But I make this statement: that never since this controversy began has Canada been in as good shape as she is at the present time in regard to it. My hon. friend from North Toronto (Mr. Church), if I remember rightly last year, criticised the government because they did not send somebody to Washington. At least, that is my memory of it. This government is not responsible at all for any person who went from any part of Canada, except Mr. Stewart, who was sent down from Ottawa, he being a very highly valuable official in the Marine department. This question has not been lost sight of by the government of Canada; but in addition to its own protest it has had also with it the protest of a large portion of the territory of the United States affected, and if that solid body of opinion against the diversion of water at Chicago is working with the United States government, and Canada is protesting through the legal channel in the constitutional way, what more can Canada do? I am not sure whether I will be upheld in this view or not by the House.

My hon. friend said a few moments ago that we should have asked that this question of the diversion of water be referred to the International Joint Commission. That immediately would be an admission that there was something to refer to the commission. My view—and I think it is the view of my colleagues—is that we should stand on the ground of the treaty rights of Canada, and there is nothing to refer to the International Joint Commission. When the correspondence is brought down it will be found that the position taken by Canada is a very strong one. These international relations are delicate matters at times, and Canada surely does not want to make any move which might jeopardize the action which would bring about an end of this diversion. I think that hon. members will find, when all the correspondence is brought down, that we have acted along lines of wisdom and effectiveness. The relationships in this matter between the United States government and the Canadian government are the most cordial and anything which has been suggested by Canada with the authority of this government and

the Canadian parliament has been through correspondence between the two governments.

Now protests have been made and the progress towards settlement of this question has not been closed. The Supreme Court of the United States granted an injunction. After that injunction an appeal was made on behalf of Chicago to allow a continued diversion of ten thousand second cubic feet —that is ten thousand cubic feet a second. If members of the House have watched closely they will have seen I think that the Secretary of War immediately told the Chicago representatives that they need not discuss the continuation, even for a short time, of that amount of water because he would not grant a license for it, and it is to him they apply for permission. The question arose following that as to the result that might accrue if this diversion of water were immediately stopped at Chicago. After all, in this treaty and in the arrangement between the United States and Canada their reason for the diversion of water or for the use of water is given and placed in proper sequence. Chicago has been taking more water than she was entitled to under the treaty, and Canada does not admit that she is entitled to one cubic foot of water, and that is the ground on which we are standing.

The United States government has been very cordial in this matter, and has treated our protest with the greatest deference, and our protest combined with the protests made by the states of the union affected has been treated with due regard, and I think has had great effect. The Supreme court issued an injunction, a hearing was had before the Secretary of War who grants the licenses for diversion, and he told the Chicago people that they need not argue to continue the diversion even for a short time of the amount they are now taking, but they are considering very seriously what effect it would have on the health of the millions of people in Chicago if they immediately cut off this water. I think nobody in Canada or anywhere else would take any sudden action that would injure the health of a very large portion of the population of Chicago and vicinity. But the United States, through their Secretary of War, laid down the principle at that hearing that although a diversion is made, extending to a certain percentage which he mentioned, it could be only for a term of years. That term of years has not, I think, been decided upon, and the diversion is merely for the purpose of allowing Chicago to put in a modern system of drainage. In addition to the objection taken by Canada and certain states in the matter of navigation, some of the states affected by the pouring of sewage into the river used by Chicago in the lake diversion are objecting on account of the injury to the health of their localities. On the whole, therefore, the position is good for Canada at the present time as well as for the states of the American union injuriously affected, but it will take a little time.

There are two or three things which I object to in the passing of this motion. In the first place, it asks the House to tell the government to do what we have already done; it implies that Canada has not done anything. But I submit that Canada has done everything that ought to be done or that can be done under the circumstances and done constitutionally. Furthermore, suppose in the face of the progress that has been made in this matter, the Canadian parliament should pass a resolution which practically declared that neither the United States nor Canada had done anything: that would prejudice our case very materially perhaps before the United States authorities, and that is one thing we do not want to do. So far the progress has been satisfactory, and I think it would be a serious mistake on the part of the Canadian parliament to pass a resolution at this time which might in any way prejudice our position.

Right Hon. W. L. MACKENZIE KING (Prime Minister): My hon. friend (Mr. Graham) has referred to the action of the Canadian government by way of protest. I have in my hand a few of the despatches that have passed; it will I think be of interest to the House were I to read specifically what in this connection has been said on two or three occasions by the government of Canada to the government of the United States.

Mr. MACLEAN (York): Have these been published?

Mr. MACKENZIE KING: Yes, in part. In the return that was brought down last year and placed on the table of the House in reference to the St. Lawrence waterway project and the Chicago drainage canal, there was a copy of a despatch sent by His Excellency the Governor General to the Charge d'Affaires at Washington on December 19, 1923, and subsequently transmitted through the British embassy to the Secretary of State of the United States. That despatch makes reference to previous communications and reads:

Sir,—

Sir,—I have the honour to inform you that numerous communications have been received by the Canadian government from various interests and corporate bodies directly concerned, protesting vigorously against the diversion of water from lake Michigan. The position

of the government of Canada in opposition to and in protest of the injurious effects of this diversion, both to navigation and water power, has been fully declared in representations which have been made to the government of the United States. The attitude of the Canadian government was clearly made known in a brief filed with the Secretary of War of the United States on the 27th March, 1912, and in Governor General's despatches No. 145 of the 23rd November, 1912, No. 16 of the 25th February, 1913, telegram of the 8th of June, 1916, No. 135 of the 9th June, 1916 and secret telegram of the 15th April, 1921, to His Majesty's Ambassador at Washington for transmission to the government of the United States.

In connection with the aforementioned representations, it has been brought to the attention of the Canadian government that on or about the month of June, 1923, the government of the United States was granted an injunction restraining the sanitary district of Chicago from diverting water from lake Michigan, and, further that this injunction would not become active for a period of six months, to permit the sanitary district time in which to appeal to the Supreme Court of the United States.

I shall be grateful if you will inform the government of the United States that the declared attitude of the government of Canada in the above matter is unchanged.

My government request that appropriate enquiries may be made regarding the legal proceeding undertaken by the government of the United States, which the Canadian government confidently trusts will be vigorously pressed.

I have, etc.,

BYNG OF VIMY.

That despatch shows first of all that this is not a new matter, having been first dealt with as long ago as 1912, and that the governments which preceded the present administration have from time to time also registered their protest. Beyond registering a protest they apparently have not felt that any further course was either possible or advisable, having regard to the nature of the situation. It makes clear also that so far as the United States was concerned, many states in the union have precisely the same interest in preventing a continuance of this diversion of water at Chicago as have provinces of this Dominion lying on the opposite side of the Great Lakes and the St. Lawrence. Further, it indicates that those states in the United States which were primarily interested were successful in having the whole matter brought by the government of the United States before the Supreme court of that country, and were also successful in having an injunction issued restraining the sanitary district of Chicago from diverting the water in question. At each stage of subsequent proceedings our government has taken steps to ensure the Canadian point of view being driven home in order to reinforce and strengthen the attitude being taken in the United States by the government of the United States itself to restrain Chicago from continuing a diversion of the lake Michigan waters through its drainage canal.

Mr. MACLEAN (York): Has any injunction been issued yet?

Mr. MACKENZIE KING: Yes, it was granted, and a six months' period was given to allow the people of Chicago to make the necessary changes. When the case was set for hearing before the Supreme Court of the United States, care was taken to ensure Canada's right to have persons present at the hearing, in a position to advise, if that were thought possible, or to assist in any way that the circumstances might warrant. Before I go further, I might read a portion of another despatch of date March 19, 1924. On that date the following was sent to His Majesty's ambassador at Washington by His Excellency the Governor General:

The question of the diversion of water from the St. Lawrence watershed into that of the Mississippi by the sanitary district of Chicago is still causing great concern in Canada, particularly in view of the bill on the subject which has been introduced into congress, and my ministers desire that the government of the United States be informed of their hope that no action will be taken either to confirm or permit the extension of the claims of the sanitary district to continue any diversion and thus adversely affect important interests in the navigation of the Great Lakes and the St. Lawrence river and the development of power, actual or prospective, upon the river or upon interlake connecting waters.

The position of the government of Canada in opposition to and in protest against the injurious effects of this diversion has been consistently maintained, and is still held, and my ministers venture to suggest that it would be unfortunate if, now that the development of the St. Lawrence waterway for navigation and power purposes is under consideration, any action should be taken which might adversely affect the possibility of such development. They sincerely trust that this view will commend itself to the government of the United States.

On January 9 of the present year our government received from the British ambassador at Washington a despatch giving particulars of a decision which had been given by the United States Supreme court. I will read this despatch to the House because it will help to explain the present situation and the nature of the action which the government has taken.

Mr. MACLEAN (York): Is this the first public statement on that?

Mr. MACKENZIE KING: I think it is, yes. At any rate this despatch has not been brought down. It will be brought down with the other papers now they have been asked for.

Sir HENRY DRAYTON: That was 1924?

Mr. MACKENZIE KING: The last despatch I read was March 17, 1924. This is

from the British ambassador to His Excellency the Governor General:

British Embassy,
Washington, D.C., January 9, 1925.

With reference to my dispatch No. 278 of July 17 last, I have the honour to transmit to you herewith copies of the decision of the United States Supreme Court delivered by Mr. Justice Holmes on the 5th instant affirming the decree for an injunction against the sanitary district of Chicago to prevent them diverting water from lake Michigan in excess of the 250,000 cubic feet per minute allowed by the Secretary of War.

This opinion begins by summarizing the defence of the Chicago authorities and refuses to take seriously their denial that they are at present diverting a volume of water far in excess of the allowance permitted. It then points out that the main arguments on behalf of an injunction are, firstly, the authority of the United States to remove obstructions to inter-state and foreign commerce, and, secondly—

To this I would particularly direct the attention of my hon. friend from West York (Sir Henry Drayton).

—and, secondly, the terms of the treaty of January 11, 1909, with Great Britain, which expressly forbids action affecting the natural level or flow of boundary waters without the authority of the United States or Canada and the approval of the International Joint Commission established under that treaty. It affirms the force of the act of Congress of March 3, 1899, and its application to the present case, and the authority of the Minister of War to act thereunder. It disallows the defence of the Chicago sanitary district based upon the permits already granted by the Secretary of War in regard to the diversion of this water as being too futile to need reply, and finally after commenting unfavourably on the delay which has been permitted in the legal proceedings instituted in 1913 to determine the rights of the sanitary district in this matter, grants an injunction to take effect in sixty days without prejudice to any permit the Secretary of War may issue under the authority conferred on him by the law.

This decision of the Supreme Court was not unexpected.

The despatch continues:

Meanwhile the House of Representatives has referred to a committee a measure introduced by Congressman Hull to sanction a diversion of water from lake Michigan up to 10,000 cubic feet per second and to create a nine foot channel from the lake to the gulf of Mexico. Further, the senate committee is to resume its hearings next Tuesday on Senator McCormick's resolution for a joint committee of both houses of congress to investigate the nine foot channel question. Copies of the Hull bill and the McCormick resolution are enclosed herein.

I understand that the Canadian National Advisory Committee recently met in Ottawa to prepare instructions for the guidance of the Dominion representative on the Joint Engineering Board and Your Excellency will no doubt inform me in due course what further action the Dominion government, after consideration of the present favourable decision of the Supreme court, desire me to take vis a vis the United States government in this matter.

I am sending a copy of this dispatch to His Majesty's Principal Secretary of State for Foreign Affairs.

I have the honour to be, My Lord,
Your Excellency's most obedient,
humble servant,
ESME HOWARD.

Now, that despatch—

[Mr. Mackenzie King.]

Sir HENRY DRAYTON: What further action has been taken?

Mr. MACKENZIE KING. I am coming to that. I want to make it perfectly clear that we have been acting in conjunction with the British government through the British ambassador at Washington; all parties have been duly informed; we have been taking the course which we believed to be, and which I think will prove to be, the most effective in bringing about the result desired by this country. As has been mentioned, an application was made to the United States Secretary of War to give a special permit to the Chicago sanitary district for a continuance of this diversion for a certain period. We are informed of that hearing. We immediately communicated with the government of the United States and asked that we be permitted to be represented. On the 16th of this month the following despatch was sent to the British ambassador by His Excellency the Governor General:

Information has been received by Canadian government that a hearing is to be held before the Secretary of War of the United States at Washington on February 20, upon an application from the sanitary district of Chicago, for permission to divert 10,000 cubic feet per second from the waters of lake Michigan for "sewage disposal and sanitary purposes," and also to discuss the terms of a proposed permit from the Secretary of War to the sanitary district for a lesser diversion of water for a limited terms of years, and it is the desire of the Minister of Marine and Fisheries to send Mr. William J. Stewart, chief hydrographer of his department, to be present at the hearing.

My ministers request that necessary arrangements may be made for the attendance of Mr. Stewart.

BYNG.

Necessary arrangements were made, the government of the United States cordially acquiesced in our request, and Mr. Stewart was present. As I mentioned in the House the other day when a question was asked on the point, Mr. Stewart was instructed to attend but not to participate unless he should be called upon to make some special representations. He was asked by the Secretary of War, if any investigation had been made by Canada to determine whether the lowering was due to the abstraction or to other causes. He replied that Canada had used exactly the same method of investigation as had been used for the upper lakes. An elaborate system of stream measurements had been taken, automatic gauges being used for determining the levels. Then Mr. Stewart in his report made to the minister on his return adds this paragraph:

I stated that it was Canada's earnest desire that any order he might issue would have in view the earliest possible complete stoppage of the abstraction, and that

we had expressed our objection to it in a great many dispatches that had been filed from time to time with the Secretary of State, commencing with an elaborate brief presented to Mr. Stimson in 1912.

When we sent Mr. Stewart to Washington we felt it would strengthen his hands if while he was there a further despatch were sent to the Secretary of State for the United States, and accordingly the following was transmitted by His Excellency the Governor General to the British ambassador at Washington on the 20th of this month for transmission to the Secretary of State, Mr. Hughes:

Attention of the Canadian government has been directed to a report that the Secretary of War of the United States has fixed a time for public hearings on the application of the sanitary district of Chicago for permission to increase the quantity of water which it is now permitted to divert from lake Michigan under authority of the Secretary of War, and proposes to consider whether in accordance with the recommendation of the Chief of Engineers the amount permitted to be diverted should under certain conditions be increased to 8,500 second feet in lieu of 4,167 second feet to which it is limited under the recent judgment of the Supreme Court of the United States.

Government of Canada would not wish to oppose such interim measures as may be necessary to protect the health of the inhabitants of the city of Chicago, but in this connection it feels impelled to reiterate the protests it has already made against the abstraction of water from the St. Lawrence basin and to make it clear that the government of Canada does not surrender any claims that might be put forward for consequential loss suffered or to be suffered. It is impossible to lose sight of the fact that the effect of a present increase in the permitted diversion will be to postpone the relief for which navigation and other interests injuriously affected by the conduct of the Chicago sanitary district have been too long waiting and which subject only to the paramount necessity of safeguarding public health they are now entitled to receive.

The injury to Canadian interests by any lowering of the natural levels of the Great Lakes, their connecting waters and the St. Lawrence river by a diminution of the natural water supply is of constantly increasing importance not only from the point of view of navigation in the lakes and the lower St. Lawrence, but also from the point of view of power development. It is recognized also that United States interests are likewise substantially affected.

The Canadian government feels confident that the government of the United States is fully alive to the advisability of restricting within the narrowest possible limits the amount of water to be diverted. It feels sure that no permit will be granted for the diversion of any water not essential to protect the health of the population of Chicago and that the period during which the diversion must on this ground continue will be made as short as circumstances permit.

That, Mr. Speaker, brings the matter up almost to the present week, and I submit, without supplementing the despatches which I have just read, that I have given to the House ample evidence that the government of Canada is watching and safeguarding in every particular the interests of our country in this matter. In this connection we have the active support and co-operation of the British ambassador at Washington and of the British government at home through the Secretary of State for Foreign Affairs. In view of the fact that the government of the United States itself applied for an injunction, that the Supreme Court of the United States granted this injunction to the government of the United States and that the matter in the United States has thus reached such a satisfactory stage, I think it would be unfortunate if a resolution were to go out from this House at this time to the country and to the United States implying that the government of Canada had in any way failed to take necessary action in the matter.

Sir HENRY DRAYTON: If my right hon. friend will permit a question so as to complete the narrative: He has said that Chicago was promoting a bill before the United States congress following the judgment of the Supreme court. Perhaps he could tell us how that stands?

Mr. MACKENZIE KING: At the moment I do not recall what particular reference was made to that bill, but I do think that the despatches I have read are sufficient to indicate that any bill of the kind would come under our general protest, because we have taken the broad stand that any measure that will allow this diversion to continue would be inimical to our interests and should not be permitted. That is the broad position we have taken and it is being maintained.

May I put one further aspect before the House, because I think it will help to interpret to hon. members the point of view of the government in this matter. Certain of the states in the United States are as much interested in this matter as are the people of this country. It has been the subject of consideration in the courts in the United States as well as by the government of the United States, and both the courts and the government have decided against Chicago. I submit that for Canada to endeavour to interfere either with the judicial or the executive procedure of the United States when both are in accord with our own wishes and interests would be to set matters back rather than to help them. I hope that under the circumstances my hon. friend (Mr. Church) will not press his resolution.

Mr. MACLEAN (York): Has a counter protest been made that the hydro-electric project in Ontario is unfairly diverting the same waters?

Mr. MACKENZIE KING: There have been protests and counter protests. I have seen by the press—

Mr. MACLEAN (York): They do not come up in connection with this matter?

Mr. MACKENZIE KING: No, we have been trying to keep the two questions separate. I think it is altogether in the interests of both governments that they should be kept separate.

Sir HENRY DRAYTON: I quite agree with my right hon. friend as to the bill. In view of the finding of the Supreme court that the treaty holds, the bill, of course, would be a far greater breach than anything else could be. In view of all the circumstances I have the permission of the hon. member (Mr. Church) that the motion be withdrawn.

Mr. DEPUTY SPEAKER: Is it the unanimous consent of the House that the hon. member be allowed to withdraw his motion?

Motion withdrawn.

ANNUITY TO DR. SAUNDERS

On the motion of Mr. MILLAR:

Whereas the Canadian people in general, and the people of western Canada in particular, have reaped and are reaping still, material benefits to the extent of many millions of dollars annually as a result of the discovery by Dr. Charles E. Saunders, of that variety of spring wheat known as Marquis, which possesses early ripening and strong milling qualities, therefore, be it resolved that this House is of the opinion that the government should consider the advisability of granting a life annuity of $5,000 to Dr. Saunders.

Mr. MILLAR: Mr. Speaker, I am prepared to go on with this resolution, but I have just been in communication with the Minister of Trade and Commerce (Mr. Low) as to the necessity of it. If necessary I can go on to-night.

Mr. MACKENZIE KING: The government has already undertaken to do what it suggests. The estimates for the present session contain an appropriation of the amount suggested in the resolution, namely, $5,000, as an annuity to Dr. Saunders.

Mr. MILLAR: The resolution proposes that it shall be made a life annuity.

Mr. MACKENZIE KING: An annuity is a payment each year during the life of the person to whom it is granted.

Mr. MILLAR: That makes it permanent?

Mr. MACKENZIE KING: Yes.

Mr. MILLAR: Dropped.

Motion dropped.

[Mr. Mackenzie King.]

CANTEEN FUNDS

Hon. H. S. BELAND (Minister of Soldiers' Civil Re-establishment) moved that the House go into committee at the next sitting to consider a proposed resolution with regard to the distribution of canteen funds.

He said: His Excellency the Governor General, having been made acquainted with the subject matter of this resolution, recommends it to the favourable consideration of the House.

Mr. MACLEAN (York): Do I understand that the protest that I read in the House to-day is rather ill-founded?

Mr. BELAND: I think so, Mr. Speaker. I will give some explanation in this matter when the resolution is before the House.

Motion agreed to.

SUPPLY

On the order that the House go into committee of Supply:

Sir HENRY DRAYTON: I understand that an arrangement has been made whereby the estimates of the Minister of Trade and Commerce will be taken up to-night but not proceeded with, so that the government will have full right of way thereafter.

Mr. MACKENZIE KING: Yes.

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

Trade and Commerce—bounty on crude petroleum, administration of, $1,500.

Sir HENRY DRAYTON: Is this the item that has to do with petroleum up in Lambton?

Mr. LOW: Yes.

Sir HENRY DRAYTON: There will be quite a little discussion upon this probably, and I think it will save time if the minister will have full particulars of that when this item comes up again. Of course, we cannot do anything now.

Progress reported.

On motion of Mr. Mackenzie King the House adjourned at 10.54 p.m.

Friday, February 27, 1925.

The House met at three o'clock.

REPORT

Evidence taken by the Royal Grain Commision.—Hon. Mr. Low.

NATURALIZATION LAWS AMENDMENT

On the Orders of the Day:

Mr. J. L. BROWN (Lisgar): I should like to ask the Prime Minister whether the government has received any communication from the British government relative to the amendment of the naturalization laws to prevent a woman of British nationality married to an alien from losing her British citizenship except by declaration of alienage, and providing for the re-admission to British citizenship of British women married to aliens where the marriage state, although officially existing, has for all practical purposes terminated? —and, if so, what measures the government proposes to take to secure the removal at the earliest possible moment of the disabilities in this respect now resting on Canadian women?

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I do not recall any recent communication. The subject was discussed at the Imperial Conference of 1923. But I will have the records of the Department of External Affairs looked into to see if any communication has been received since then.

Mr. BROWN: The despatch says the matter was discussed in the British House and the Dominions were to be communicated with in respect of it.

Mr. MACKENZIE KING: I do not recall any despatch recently; there may have been one within the past five or six months. However, I will have it looked up and inform my hon. friend.

PEACE RIVER RAILWAY OUTLET

On the Orders of the Day:

Mr. D. M. KENNEDY (West Edmonton): I wish to ask the Minister of Railways (Mr. Graham) if he has received any report from the two railway companies with regard to the Peace river transportation question; and, if so, will he give the House the substance of the report?

Hon. GEORGE P. GRAHAM (Minister of Railways and Canals): Mr. Speaker, the only communications I have received lately concerning the question will be found in letters from Mr. Beatty and Sir Henry Thornton, saying that they hope to be ready in a few days to lay their views before the Minister of Railways.

SOLDIERS' PENSIONS

FORTHCOMING LEGISLATION ON CANTEEN FUND AND CIVIL RE-ESTABLISHMENT

On the Orders of the Day:

Mr. C. WALLACE STEWART (Humboldt): I should like to ask the Minister of Soldiers' Civil Re-establishment, if the government have under consideration the introduction of legislation along the line of the Pension bill of last session?

Hon. H. S. BELAND (Minister of Soldiers' Civil Re-establishment): A similar question is on the order paper. I will answer the question in due course.

Mr. J. H. HARRIS (East York): Mr. Speaker, I should like to ask the government if they have had representations made to them on behalf of the Great War Veterans' Association of Canada with regard to the distribution of the canteen fund? Also, if the government are aware that there seems to be considerable stir among the various branches of this organization as to the distribution of the fund? Also, are they doing anything to allay the anxiety of those concerned?

Mr. BELAND: Mr. Speaker, perhaps my hon. friend was absent yesterday when a question was asked by the hon. member for South York (Mr. Maclean) in this connection. All the despatches that have come to me from the different organizations state that a certain amount of money, $100,000, is intended to be paid to one particular organization under the authority of a bill which is shortly to be introduced in the House. The only answer I can give my hon. friend is that the information is not correct. There is no intention of introducing a bill to apportion $100,000 to any organization or set of organizations of returned men.

Mr. ARTHURS: Or any amount?

Mr. BELAND: There is $100,000 laid aside for certain purposes, but not destined to one particular organization. I do not know whether I make myself clear in this respect. The bill which passed this House last session, but which was rejected by the Senate, provided that $100,000 should be paid to a central board of trustees, which board should attend to the organization and maintenance of a Veterans' Service Bureau here in Ottawa. No reference whatever was made in the bill to any one particular organization.

Mr. ARTHURS: Will the hon. minister state whether any order in council has been passed in the meantime with regard to the

apportionment of this fund? I asked a similar question yesterday.

Mr. BELAND: I think I informed my hon. friend yesterday that no order in council has been passed disposing of one cent of the canteen fund to anybody.

Mr. HARRIS: Mr. Speaker, I desire to ask—

Mr. SPEAKER: I would remind hon. members that on the orders of the day the leaders on both sides are usually allowed to put a question or two, but hon. members generally must confine themselves to at most one question, otherwise the sittings of the House will be unduly prolonged. I hope the hon. member will be very brief in any further remarks he makes on the orders of the day.

Mr. HARRIS: I would just like to read in this connection, Mr. Speaker, a telegram I hold in my hand:

> Our contention is that canteen money should not be used for any organization that does not represent the returned soldiers.

I would like to ask the minister if any of this money is being distributed by any organization that does not represent the returned soldiers?

Mr. BELAND: I have just stated that no canteen fund money has been distributed to anybody so far by this government. I share the view expressed in that telegram that the money should not be apportioned to any one particular organization.

Mr. CLARK: Yesterday I asked the minister when it was contemplated that legislation in regard to pensions would be introduced in the House, and he said that notice would probably be given next week. I understood him to say to-day that that question would be answered on a later day.

Mr. BELAND: My hon. friend is mistaken in that. The question asked by the hon. member for Humboldt (Mr. Stewart) was whether the bill which is to be introduced will be the same bill as that of last year, and that is the question which appears on the order paper in the name of the hon. member for Parry Sound (Mr. Arthurs).

OLD AGE PENSIONS

On the Orders of the Day:

Mr. WILLIAM IRVINE (East Calgary): I would like to ask the government if any action has been taken on the report of the Old Age Pensions committee of last session? If so, what action has been taken? And will legislation be introduced this year looking to the establishment of a system of old age pensions?

Hon. JAMES MURDOCK (Minister of Labour): That question is on the order paper and will be answered as soon as possible.

SUPPLY

TRADE AND COMMERCE

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

Trade and Commerce—bounty on crude petroleum, administration of, $1,500.

Sir HENRY DRAYTON: We have had the question of petroleum bounties up now for two separate years, and we have had information as to the amounts of production and the amounts paid. Will the minister tell us exactly how the production stands at present and what bounties have been paid?

Hon. T. A. LOW (Minister of Trade and Commerce): This vote is $1,500 less than the vote of last year. It is to take care of the administration of the bounty. As the committee is no doubt aware, the bounty will be discontinued on the 30th of June of this year. The following are the values of the production for the years 1919 to 1924 inclusive, on which the bounty has been based:

Year	Amount
1919	$856,038
1920	919,935
1921	641,533
1922	611,176
1923	542,555
1924	475,985

Sir HENRY DRAYTON: Would the minister give the number of barrels?

Mr. LOW: The following are the number of barrels of 35 gallons each:

Year	Barrels
1919	240,446
1920	196,251
1921	187,541
1922	179,068
1923	171,902
1924	160,830

Sir HENRY DRAYTON: What was the production in barrels for the last six months?

Mr. LOW: I have not the figures for the last six months only, but I can obtain them if my hon. friend wishes.

Sir HENRY DRAYTON: The figures given last year, which were concurred in, as I believe, by the department and accepted without the slightest dispute from anybody, showed a total production of petroleum of 160,000 barrels. They were for the year that had been finished; we are now a year later. They cannot be the same. What my hon. friend

has been giving is the production as of the previous year, so that the figures are a year out. I also point out to him that the other factor which was a matter of importance was that the production down to date—which would be for the then last year—in Lambton, which is the place particularly affected, was 145,238 barrels. What I would like to find out, if the department themselves know what they have been doing and what bounties they have been paying, is, what the corresponding figures are at the present time.

Mr. LOW: The figures I have given to the House are for the calendar year—160,830 barrels for the twelve months ended December 31, 1924.

Sir HENRY DRAYTON: But the bounties, as the minister knows, are paid according to the fiscal year.

Mr. LOW: The bounties are paid monthly as the claims come in.

Mr. LeSUEUR: Can the minister tell us what bounty was paid on the oil produced since July 1, 1924?

Mr. LOW: I can only give my hon. friend the figures for the twelve months ending December 31, 1924; we have not got it for the six months, but I shall be very glad to get the figures for each month if my hon. friend desires.

Mr. LeSUEUR: I should like to get them.

Mr. LOW: For the twelve months ended December 31, 1924, the bounties paid amounted to $63,857.

Mr. LeSUEUR: I would also like to ask the minister—and I do not do this in any antagonistic sense whatever—as to the results of the investigation made by the government into the situation in the oil producing territories. Is the government taking any action as a result of the investigation, or studying the question with a view to action?

Mr. LOW: My department has nothing to do with that investigation. I imagine it would come under Mines or the Department of the Interior.

Mr. MacLAREN: How much bounty was paid for the petroleum produced in Albert county?

Mr. LOW: The bounties paid in Albert county last year amounted to $3,648.14.

Mr. FANSHER: What was the total number of claims for bounty last year?

Mr. LOW: We have not that information, but we can easily get it for my hon. friend.

Mr. LeSUEUR: Might I ask the hon. minister if this item had not better stand until we have the report on that investigation? Until we get that report, and until we know what action the government is going to take, the House is really not in a position to vote on the administration. This is a matter of vital importance to a certain section up there, and I think the proper department should give the House the information it requires.

Mr. LOW: What difference would it make? If it is found that the amount in the main estimates is not sufficient, it will be a very simple matter to place an amount in the supplementaries. If any change is necessary, that will be a matter for the Minister of Finance when the budget comes down. So I do not see that any object is realized in holding up the item.

Sir HENRY DRAYTON: I would not think there would be any need for any mystery about it. There is always more or less mystery about some moves from the treasury benches, but after some difficulty last year, when the mystery was dispelled, we were told that Dr. Hume had been sent up there to see what ought to be done. He took some time, but he did finally get there, and we wanted to find out if he had made a report, and if so, what it was. We were told, as I recollect, by the genial Minister of Mines (Mr. Stewart) that a report had been made, but it had not been made; that a letter had been written, but it had not been written; that it was quite true there was a communication, but it was confidential and personal, and so could not be brought down. I would think because it was personal it might possibly be all the more correct. Is there any reason why the people up there cannot know what the departmental information is as to their industry? It is a year ago now since this was up; it is a year ago now since they have desired to know what the department which is supposed to know all about this industry thinks of it; and they still do not know. Surely there is no reason why the report of Dr. Hume cannot be used by my hon. friend to-day.

Mr. LOW: I shall be very glad to bring the matter to the attention of my colleague the Minister of the Interior, and have the report, if there is a report, brought down providing there is no objection to such action.

Sir HENRY DRAYTON: If the matter is dealt with that way, I suppose that will happen which happened last year, that we shall be told the report is personal and is not going to be brought down, and in the

meantime we get no information upon it. The Minister of the Interior (Mr. Stewart) was in the chamber a moment ago, but unfortunately he has gone. I should have thought he could tell us in a moment whether there is any use looking for any assistance in that regard or not. The amount of production in Lambton last year was given as 145,238 barrels. Can my hon. friend tell me what the Lambton production is this year?

Mr. LOW: I am sorry that the record here does not give the figures by counties.

Sir HENRY DRAYTON: Then let us take Ontario, because the Lambton production is pretty nearly the whole Ontario production, although there is some in Kent.

Mr. LOW: I am sorry, but it is impossible for me to give my hon. friend to-day the amount of oil production in any particular county or province. However, I would be very glad to bring down the details by provinces if my hon. friend wishes.

Sir HENRY DRAYTON: What I want is just what I told my hon. friend last night—and I think he understood the reference pretty well,—full particulars in connection with these particular bounties that Ontario is so widely interested in and especially this particular part of Ontario. The first thing necessary, of course, is to know how the industry stands to-day, and I cannot appreciate my hon. friend's position at all. It is only a few minutes ago that he gave the production of oil in New Brunswick.

Mr. LOW: There is just one county, Albert.

Sir HENRY DRAYTON: Certainly, one county; I do not care where it is. Then I asked for the particulars of oil production in one county in Ontario, and the minister said he could not give it. What is the difficulty in the way of giving information respecting oil production in one county in Ontario when there is no difficulty with respect to giving the information as to the production in one county in New Brunswick?

Mr. LOW: The difference is that oil production is confined to one county in New Brunswick. There is no desire at all to withhold any information from any hon. member. There is nothing to conceal, but it would be utterly impossible to bring down with every item all the details of any particular industry. If my hon. friend presses for the information we can obtain it for him. I shall be glad to furnish any information that he wishes with the most minute details.

[Sir Henry Drayton.]

Sir HENRY DRAYTON: Again, I cannot appreciate my hon. friend's position. He says he can give these details for the province of New Brunswick because oil is only being produced in one county. Then he told me he could not give the information for the county of Lambton and I said "Very well, let us have it for the province of Ontario." Surely my hon. friend knows what was done in the province of Ontario as a whole. That is not a matter of much detail; the figures must be in his department.

Mr. LOW: It is a very simple matter. If my hon. friend wishes to have that information I shall allow the item to stand and get it for him. Also I have no objection at all to producing any other information in connection with the matter. If my hon. friend will accept my word and allow the item to pass, I shall bring down the desired information. Otherwise the item can stand.

Sir HENRY DRAYTON: I think it will probably save time if I tell my hon. friend what information I desire, it is really cognate to this item. The production in the county of Lambton last year, according to the figures given by the department as I recollect them when this matter was discussed, last session, was 145,238 barrels. I want similar information in respect to the period just closed. Then I want to know how many wells are being operated in Lambton. Last year there were 3,570 wells under operation, and there were 216 power plants. A further matter of importance and interest is the question of cost. The cost last year, at the commencement of the year, was $2.03 a barrel and later on, if I remember it correctly, $2.60 a barrel. These figures were given at the time the discussion took place in June last year. Again, the amount of bounty paid per barrel, on the basis of the calculation of last year, was 52½ cents. I should like to know how much is being paid now. The item should stand until we get these details.

Mr. COOTE: Would the minister be good enough, when he is obtaining that information, to give me a statement as to whether there are any wells in Alberta receiving a bounty. I ask for this information because I believe some wells in that province are receiving a bounty while others are not.

Mr. LOW: There are some wells in Alberta in receipt of a bounty. Does my hon. friend (Sir Henry Drayton) wish the item to stand?

Sir HENRY DRAYTON: Oh, yes, I want that information.

Mr. LOW: All right.

Item stands.

The Copper Bounties Act, 1923, (bounty on copper bars or rods)—administration, $1,500.

Mr. LOW: This item is $1,000 less than the amount voted last year. We found that we did not require as large an amount as we had anticipated and consequently we have effected this reduction.

Mr. CALDWELL: What amount was expended last year for this purpose?

Mr. EVANS: Will the minister state what amount has been paid in bounties since this act came into force, and to what companies the payments have been made?

Mr. LOW: The amount expended up to January 31, 1925, was $130.90.

Mr. EVANS: To what company was that payment made?

Mr. LOW: That was expenditure in connection with the administration of the act.

Mr. EVANS: I should like to inform the minister that I asked for the amount of bounties paid and to what companies?

Mr. LOW: Yes, but when my hon. friend was putting that question the ex-Minister of Finance was asking how much had been spent in connection with this vote.

Sir HENRY DRAYTON: I have not said a word this time.

Mr. LOW: Only two claims have been presented to the department up to January 31, 1925. These claims from the Consolidated Mining and Smelting Company of Trail, B.C., were based upon a production of 1,164,140 pounds of copper bars, and the amount of bounty was $14,551.75.

Mr. CLARK: What was the value of the output?

Mr. LOW: The bounty is paid at the rate of 1½ cents a pound of copper bar. We do not know the value of the output which totalled 1,164,140 pounds.

Mr. ARTHURS: The minister stated that nothing had been paid out last year except overhead expenses. Now he brings in an item amounting to, if my hearing is correct, $14,000. He is only asking for a vote of $2,500 for this year.

Mr. LOW: My hon. friend does not understand that we look after the administration of the act and we have nothing to do with the paying of the bounties. They are paid through the Finance department. We simply pay for the administration, the checking up of the quantities and the amount of the bounty that is paid from time to time.

Mr. ARTHURS: Following up the idea, if the total expenses of last year were $130 why ask for $2,500 this year?

Mr. LOW: It only commenced last year and consequently we had not much time to spend very much, and for that reason decided to reduce it by $1,000.

Mr. CLARK: Another company has made a claim. I do not think the minister gave particulars as to that.

Mr. LOW: There are only two claims and they have been presented by the same company.

Mr. CLARK: Are those all the claims made since the act came into force?

Mr. LOW: All the claims that have been made.

Mr. CLARK: Can the minister state whether there has been an increase in the production of copper bars since the introduction of this act?

Mr. LOW: The act is just now coming into effect, and we have nothing to show whether there is an increase or not.

Mr. CLARK: Can the minister state the amount of production in 1920, 1921, 1922, 1923 and 1924?

Mr. LOW: It would be no trouble to obtain that information, but we have not it just now, as we were not interested in those years, as the act was not in effect at that time.

Item agreed to.

The Hemp Bounties Act, 1923, administration of act, $500.

Mr. LOW: This is a new item.

Sir HENRY DRAYTON: I think it would be very nice if the minister would let us know how the matter stands. This matter is of very great interest to the northwest in particular. It is hoped that under the provisions of the act—at least that is the hope of the Finance minister, and I think he had some justification for it—with the assistance that the government was giving we would be able to work up a really large industry in hemp products in Canada. At that time it was a question whether or not the work could go on and whether the mill would be installed. I am sure the House would be interested to know whether the work is going on and what position it is in, and whether the mill has been started, and so on.

Mr. McMURRAY: I think probably I can explain this matter to the hon. member for West York (Sir Henry Drayton), as I am more familiar with the local situation than the Minister of Trade and Commerce (Mr. Low). Two years ago a bill was introduced to give bounties for the creation of a hemp rope and binder twine industry in Winnipeg. At that time negotiations were going on between certain people in Winnipeg and people in Ireland who were familiar with the rope, binder twine, hemp, flax and similar industries. At that time I thought the amount of the bounty was a little too small. As a matter of fact it did not interfere with the creation of the industry at that time. The real object of getting this bounty was to encourage a new industry, and at the same time to protect that industry from a possible war with the International Harvester Company in the United States, which company manufactured a great deal of similar products. However, we are taking the matter up keenly in Winnipeg now. I have been advised by the men who worked on the project that there were people in Winnipeg from the Old Land; I believe a great deal of ground is being seeded this year, and I am advised that there are fair hopes of the industry being established. Undoubtedly if it can be done it will be a wouderful thing for the western country. Growing out of this hemp, if we can supply enough binder twine there to take care in reasonable degree of the necessities of the western country, it will be a great aid to the western farmer in his work. It will also be sound policy in every way, and will afford employment there in the winter time and will keep capital, labour and money in that section of the country.

Sir HENRY DRAYTON: Perhaps the hon. minister can go a little further than the Solicitor General (Mr. McMurray) and tell us what the real difficulties are in this matter. As I recollect it, the question turned on two issues; one was the amount and the other was the duration. I think the duration had probably more to do with it than the amount. In other words, one of the all-important questions to those behind the scheme was that they should have such condition of affairs created for them under their contract with the government that they would be able to count upon a certain number of years during which they could go on undisturbed in the advanced cultivation of flax under the agreement as it was thought that the industry might take some time to work up. I remember that at the time I thought that in some instances the contract might prove to be unworkable and so the work would not go on. I would like really to know from my hon. friend whether the work is going on, and if not, in what particular this contract has been found to be unworkable, and for what reason the west is prevented from getting this all-important industry?

Mr. McMURRAY: In reply to my hon. friend, I say that this really means the addition of a new product so far as Canada is concerned. The hemp is altogether different from the flax. In western Canada it grows to a height of from eight to ten feet. We first got a knowledge of the use of it from the people who came from Europe, and people in the Dauphin country. They were growing it and manufacturing a coarse kind of linen for their own use. We had tested it out in various places. The Winnipeg Board of Trade became interested in it. We tested it in various places around Winnipeg, and we were able to prove that it grew very well. The climate was not against it, and the product was of a high quality. The difficulty in the way of getting capital to invest in the enterprise was the fact that they were afraid of a war with the International Harvester Company, an immense institution heavily capitalized, which corporation would undoubtedly have competed strongly against us. They asked a certain bounty per pound on the finished product, and we did not give them what they wanted. If my memory is right they wanted about three and one-half cents a pound at that time, reducing each year. I think if the government accepted the principle involved, they should not stand in the way of a reasonable amount being granted to establish an industry there which apparently was indigenous to that part of the country. We grew the product and marketed it right at our door. We had electrically-turned spinning wheels in the industry and had the labour there. In every way it looked like a legitimate proposition once it got started. But we had to guard against this large organization in the United States that we felt would wage war against us. I think the government at that time having accepted the principle, should have supported it more generously, and that is really the root of the trouble. One of the leading men interested in the enterprise, a gentleman from Belfast, Ireland, after the negotiations had been running for some time, unfortunately died. He was very active in the promotion of this enterprise, and after his death other negotiations had to be opened up. I understand the bounty was good for six years at two and one-half cents a pound.

I believe they agreed on two and one-half cents a pound. The Board of Trade in Winnipeg has taken the matter up actively. The city of Winnipeg feels that the time has come that it no longer sits at the receipt of customs in the wholesale line and that industries should be established that are indigenous to the country; and they are going actively into the question. They are in touch with this man who, as I said before, is in Winnipeg at the present time. The difficulty was purely a matter of getting a sufficient return for five or six years until they got on their feet with the industry established, and after that they would be able to meet any competition. This assistance was simply against a large combine in the United States.

I do not know whether I have answered my hon. friend fully or not, but that was the trouble. They felt that the drop of one-half cent per pound might come too early, before they were on their feet and the market was fully secured. While I am not a high protectionist, neither am I a free trader; but I think this was one case where an industry which was indigenous to the country and had every prospect of success was entitled to a bounty, and I think the bounty should have been a little more generous than it was. If that had been the case, the industry would have been established to-day.

Sir HENRY DRAYTON: It is only fair to say to my hon. friend, whether he is a protectionist or a free trader or anything else, I think at the moment he is rather more concerned as a Manitoban, to do something for his district that needs the help badly.

Mr. McMURRAY: Always.

Mr. JACOBS: How badly?

Sir HENRY DRAYTON: Just like most parts of Canada, very much in need at the present minute. My hon. friend asks me if he has answered the question fully. He has, but not quite definitely. I think the committee ought to know what really stands between success and failure in this instance. The differences are not very great and the difference in cost to the country cannot be at all excessive. Perhaps my hon. friend is in a position to inform the committee what changes to-day in the contract will ensure the going ahead of this project?

Mr. McMURRAY: I am glad to have my hon. friend's deep interest in this matter. He wants to know exactly what the difficulty is. The difficulty is simply the amount of bounty that is being given. If the bounty had been four cents instead of three, I think the enterprise would have gone through with flying colours. The question is one of financing the company, and this menace was in the way. I think it costs five million dollars to establish the industry, and the people who are advancing the money will not risk five million dollars without a reasonable certainty of success.

Mr. TOLMIE: Are these men from Ireland who are negotiating the same people who were negotiating in 1921 and 1922?

Mr. McMURRAY: It was a Mr. Coote who was negotiating in 1921 and 1922. I do not know exactly who the present man is who is out there, but Mr. Coote was interested in the negotiations going on at the time we brought in the bill. He felt that he would have great difficulty in succeeding on account of the smallness of the bounty. Unfortunately, he died, as I said, and negotiations had to be opened up with other interests. I got a wire a few days ago stating that the other gentleman was at Halifax and was coming through.

Mr. TOLMIE: Do I understand that the bounty at the present time is one and one-half cents a pound on the manufactured article?

Mr. LOW: It is one and one-half cents a pound on a sliding scale for the year 1926.

Mr. TOLMIE: It is the opinion of the hon. member that this protection should be raised to three cents a pound before it will be possible for them to go ahead?

Mr. McMURRAY: I cannot say that I expect the protection will be raised. I have no objection to the bounty being raised and I think it is highly advisable that it should.

Mr. TOLMIE: What is the difference between bounty and protection?

Mr. McMURRAY: That goes into the whole matter of education.

Mr. TOLMIE: What acreage is being sown out there now?

Mr. McMURRAY: I understand the seed that is of use for this is being brought out from Italy. Italian seed is the best seed, and I think there is some provision that it can be admitted into Canada free of duty. I do not know what acreage is being sown, but I would imagine two or three hundred acres. Of course, it will take some time to establish and build this mill. When the mill is running

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at full capacity, it is estimated that it will handle the product of 20,000 acres of land and that 3,000 hands will be employed.

Mr. WOODSWORTH: Has the hemp grown actually proved a success up to date?

Mr. McMURRAY: Yes: I understand it is of the very finest quality, and the climate and soil are entirely suited for this product. It is grown all through the Red river valley, and as I said before, it originated in the neighbourhood of Dauphin among the foreign-born people.

Mr. TOLMIE: What percentage of this binder twine is imported from the United States?

Mr. McMURRAY: Speaking in this House on this bill two years ago, I made the statement—I found out afterwards that I was wrong—that little or no binder twine was produced in Canada. I understand there is a large and flourishing plant at Brantford that has done exceedingly well. I would estimate, in looking over their figures, that they manufacture enough twine for a normal crop of about ten million acres. That being the case, I suppose we have in Canada crops of possibly thirty-five or forty million acres, so that I would imagine that about twenty per cent of our twine is produced at home and about eighty per cent brought in. That is only an estimate on my part, but I do not think I am far out.

Mr. CALDWELL: Where does the factory at Brantford get its raw material?

Mr. McMURRAY: That is a different material altogether from the hemp that we grow at home. I think they have plantations of their own in Central America, and of course they get more of it from Manila.

Mr. TOLMIE: Binder twine at present is manufactured from sisal imported from Yucatan.

Mr. McMURRAY: Yes.

Mr. TOLMIE: What would be the comparison as to cost between the hemp twine and the sisal twine?

Mr. McMURRAY: I have not gone into that particular aspect of the matter at all, but apparently the men who are willing to invest their capital in Winnipeg were convinced that they could manufacture hemp twine. I understand it makes a finer and better twine than the imported article.

Mr. MOTHERWELL: Might I draw the attention of the committee to the fact that if we desire to call this kind of assistance protection, it is of a terminable nature; it is terminated in six years as against the other kind which is interminable.

Mr. LAPOINTE: It is not an incurable disease.

Mr. LADNER: Does the minister agree with six-year terminable protection?

Mr. MOTHERWELL: I believe in assisting new industries in some form or other—always have.

Mr. CALDWELL: I notice we are voting money under three different heads for the administration of bounties. Are three different departments, or three different staffs, engaged in this work? If so, could not the payments be administered by one staff and the vote put under one head?

Mr. LOW: There are three different acts, but they are all administered by the same department.

Mr. CALDWELL: The same staff?

Mr. LOW: The same staff here. Outside, some of those engaged in the work are paid only part salary; for instance, two or three are paid $200 in connection with the payment of bounties on petroleum and on copper.

Mr. CALDWELL: Is there a staff which devotes all its attention to this work?

Mr. LOW: Not at all.

Mr. CALDWELL: How is the cost segregated for the different classes of bounties? For instance, supposing your official is dealing with copper bounties in the forenoon, crude petroleum bounties part of the afternoon, and hemp bounties the remainder of the day?

Mr. LOW: Only the outside salaries are charged up against this vote; it does not cover the inside staff.

Mr. HOCKEN: Will the Solicitor General clear up this point for me? Has the bounty granted to this hemp industry been sufficient to get work started?

Mr. McMURRAY: No, they have not started it yet. Negotiations were going on, satisfactorily I understand, but Mr. Coote, who had large experience of the rope and twine industry, did not receive the support from the government that he expected and that I said I thought he should have received. Then, on his going back he had difficulties in negotiating for financial assistance, and unfortunately he died before those negotiations were completed. Since then the work has

been continued by others and I understand with a possibility of success. I shall know very shortly.

Mr. HOCKEN: Is there a possibility of success on the present rate of bounty, or do those who are negotiating require an additional bounty?

Mr. McMURRAY: I have an idea that there should be an additional bounty; that would be my own opinion.

Mr. HOCKEN: Will the government give it?

Mr. McMURRAY: I cannot speak for the government. There are men in the government who are strong neither for protection nor for bounties. I think bounties are desirable for some legitimate industries, and I also think that the government, having once consented to the principle involved, should not have stood on the amount of bounty, because no bounty was to be paid until the finished product was ready, and these men are risking a large sum of money, five million dollars, in the project. I think Canada should have been prepared to assume some risk when the other people were risking so much.

Mr. HOCKEN: In my opinion it is a very shortsighted policy on the part of the government to haggle about half a cent a pound on the finished product and about one or two years for the continuance of the bounty in the case of an industry of this kind. Mr. Coote explained to me when he was here that this industry will not only employ a large number of operatives but will also give a very profitable crop to a large number of farmers. Not only industry but agriculture is to be assisted by this project. As my hon. friend has pointed out, the market is right beside the factory practically, and the cost of transportation of the finished product will be a bagatelle compared with the freight rate from Brantford or any other centre where binder twine can be obtained. If in Manitoba flax and hemp can be produced that will make it possible for an industry comparable to the Belfast linen industry to be established there, it would be one of the best things that could be done by way of encouraging industries for the Dominion. I hope, Mr. Chairman, that the government will look at this matter in a broader spirit than they seem to have done up to the present time. I hope that if they can find men who are willing to invest $5,000,000, they will show a more generous spirit in helping those men to establish this industry and put them in a position where they can overcome the difficulties which they are sure to meet with at the outset until they get their factory erected and in operation. Never, I believe, since I have been a member of this House have I observed a proposal against which there could be so little objection, even on the part of the Minister of Agriculture (Mr. Motherwell), and, as well, of the Minister of Trade and Commerce (Mr. Low), who I believe is favourable to this particular industry—at least, having a knowledge of his good sense and sound judgment I would suppose so. I think the government ought to look at this matter in a little broader way and make it certain so far as they can that this industry will be established in Manitoba.

Mr. CHAPLIN: Judging from the statement of the Solicitor General (Mr. McMurray) the House must be of opinion that the hemp industry is in a very precarious condition. We are asked to vote $500 for the administration of the Hemp Bounties Act, although the people who are to carry out the contract for the establishment of a hemp industry are dead, and he is looking for someone else to take their place. I think the minister had better strike out the item altogether, and wait until the company is brought into existence. I should like to say a word, too, to the Minister of Agriculture. He is a protectionist for six years. The Solicitor General wants to stretch it out, and probably would make it eight years or some other indefinite term.

Mr. MOTHERWELL: It is terminable.

Mr. CHAPLIN: It is well to know that he is at least a six-year protectionist, and probably as he gets a little older he may add a few years more to that term.

Mr. MOTHERWELL: Might I point out, this does not raise the cost of the article to the consumer.

Mr. CHAPLIN: Oh.

Mr. MOTHERWELL: It does not.

Mr. EVANS: Mr. Chairman, I think the government is to be commended for resisting payment of any higher bounty. Here is an industry about to be established. According to the Solicitor General, hemp can be grown in Manitoba as cheaply as anywhere else in the world; in fact he said that it attains a growth of eight or ten feet, which shows that the soil is very favourable to the crop. The product of the factory would have its market right there at its own door, a market of at least ten or fifteen million pounds of twine, and it has the cheapest power on the continent. And yet this industry cannot stand on its own feet. What is the use of estab-

lishing this industry if it cannot afterwards stand on its own feet in four, five or six years? The International Harvester Company and the Brantford Twine Company will still be in competition with it. What then? The promoters will come to this government and say: "Here is an industry that must do down unless it is protected." I am against anything of that kind any more. We have plenty of these industries established on bounties and bonuses now. The British Empire Steel Corporation is a case in point; I think they have received more during the years they have been established than the amount they have paid in wages.

Mr. CARROLL: How much does my hon. friend say they got?

Mr. EVANS: More than ninety millions.

Mr. CARROLL: No, not ninety millions, and not nineteen millions, in bounties.

Mr. EVANS: It is my opinion that no more industries of this kind, which cannot stand on their own feet, should be established. It only means a burden to the country later on, and the people have plenty of these burdens on their shoulders now.

Mr. SUTHERLAND: The fact stares us in the face that we are without an industry of this kind. We have every assurance that the country is capable of producing hemp and of producing the twine that can be manufactured from it. Experiments have been conducted and those who are engaged in the business are apparently satisfied that a success could be made of such an enterprise in this country. Yet the negotiations seem to be dragging; they are not coming to a head. The hon. member (Mr. Evans) does not want to give encouragement to any industry that cannot stand on its own feet. I could not help thinking last night as I listened to a representative from one of the Maritime provinces that this country is much greater than the people who live in it and who do not take advantage of the opportunities available to them. This gentleman pointed to the fact that over half a million people from his own province of New Brunswick are now residents of the state of Massachusetts, so I think it is about time we began to realize that there is need of our doing something to develop our natural resources.

Mr. KYTE: They have been in Massachusetts for over twenty-five years.

Mr. SUTHERLAND: Their numbers have increased very rapidly of late.

Mr. KYTE: Not very.

Mr. SUTHERLAND: What assurance have those who would like to establish an industry here that they will have a fair and reasonable chance to make a start? Minister after minister on the other side got up here last session and warned the people that this was the beginning of the end, that the death knell of protection in Canada has been sounded. Now they propose a hand-out for six years, but, they say, "look out as soon as that is used up; you can rest assured you will have to stand on your own feet then or get out." But these are not the policies that are being followed in other countries. All progressive countries are doing something to establish industries, to take care of them and to assure their success. If we can manufacture in this country the twine that we need, and if that much more money can be circulated among our own people, it will go a long way toward overcoming the stagnation which now prevails. This is only one instance among many that might be mentioned. If the government takes some reasonable steps to do something along this line I am sure hon. members will give them every encouragement, but if it is a matter of putting an item in the estimates simply to make the people believe that something is going to be done, I do not think that is of any use. If you do not propose to do more than you are doing you might just as well cut it out and be done with it, and thus end the farce.

Mr. EVANS: The remedy proposed by the leader of the delegation from the Maritime provinces yesterday was that trade should be allowed to go through its natural channels. He meant reciprocity and free trade.

Mr. LADNER: At New Westminster a cordage factory was established in connection with which all the raw materials were imported. I refer to this case because of the remarks of the hon. member (Mr. Evans) who is apparently an out-and-out free trader, so much so that he would wipe off the face of the earth any industries which cannot stand against all kinds of competition, fair or unfair, principled or unprincipled.

Mr. EVANS: I would not wipe them off, no.

Mr. LADNER: Well, he would starve them to death. That industry was established immediately after the war, largely due to the enthusiasm of a number of returned men who put up their money to organize the business of a cordage company. After it had been established and was going with fair success, through the influence of such

ideas as emanate from some of our friends from the prairies along the line of this wiping-out proposition, the government actually took steps to lower the duty on the finished product, to such an extent that the whole industry was in jeopardy. At that time members from British Columbia were given information which established beyond question that without a certain amount of protection against the mass production of large enterprises immediately to the south in the United States the industry would be wiped out of existence. The protective duty was increased, or rather established where it was before, and the result has been, as I understand it in a general way, that far from being an institution in difficulties the project has developed into a success and it is a credit to those who organized it and operate it. Employment is given to the people in the district, shipping is brought into the harbour by the imports of raw material, and the finished product is sold in all parts of British Columbia to the exclusion of the product from the United States.

Mr. BEAUBIEN: They import their raw material from foreign countries?

Mr. LADNER: Yes, they are not able to grow it in British Columbia.

Mr. BEAUBIEN: Do they pay duty on it or does it come in free?

Mr. LADNER: I do not think they pay duty on it; I do not see why they should if they manufacture the article here. The point raised in this discussion is extremely interesting to those from British Columbia. In our province we have essentially an industrial outlook. If we can bring into the port of Vancouver raw materials, whether they be sugar cane from distant lands to make sugar at the British Columbia sugar refinery, or materials for the manufacture of cordage brought in from Manila—

Mr. BEAUBIEN: Can the raw material be grown in Canada?

Mr. LADNER: Apparently it can be grown in Manitoba. It may be that the raw material will be got from that part of the country; in fact, if it is better business to use that raw material it will be substituted for the imported material. But my point is that if we in Canada are going to build up a country of economic independence, if we are not to be under servitude to the United States, we must use these instruments of protection, these methods of roundly developing our industrial life as well as our agricultural life.

Mr. PUTNAM: For how long?

Mr. LADNER: For more than six years.

Mr. KENNEDY (Edmonton): What does my hon. friend mean by "economic independence"?

Mr. LADNER: I will give an example. Suppose our friends from the United States owned completely our basic industry in British Columbia, the lumber business. Let us say they owned all the forests and sawmills—everything—and sent their management in, and after the payment of wages took all their profits which includes increase of capital making possible an extension of business, down on the other side of the line for industrial development there; I say then we should be economically dependent upon our friends on the other side. But if we owned those things ourselves through the citizens of British Columbia, and the business was conducted under their management, and the profits used for further industrial extension on this side, we would be economically independent. Although we want capital from any land, I think all experience shows that capital raised in your own country is infinitely more advantageous than imported capital, because the profits go back into your own country.

Mr. EVANS: If you become economically independent of the United States, you are still dependent on production and relying on some industry in this country, which is agriculture, which is not protected at all. Is not that so?

Mr. LADNER: The industry of agriculture in Canada—and I happen to be in that industry perhaps as much as anybody in this House—is protected just as much or almost as much as any other industry.

Mr. EVANS: In what way?

Mr. LADNER: You get Crowsnest pass rates; you get legislation in connection with your own business.

Mr. MORRISON: Does agriculture get any tariff protection?

Mr. LADNER: Any action on the part of a legislative body which gives special rates or special advantages to any particular industry is a species of protection for that industry.

Mr. MORRISON: The manufacturers in eastern Canada have advantages under the Crowsnest pass agreement as well as the western agriculturist.

Mr. LADNER: That may be so, but if you read the preamble of the agreement and the thirteen classifications of articles, you will see that the main purpose of the agreement is for the products coming from the east for the benefit of the farmer and colonization, and for the products of the farmer coming from the west for export.

Mr. MORRISON: It is all for the benefit of the farmer, according to my hon. friend. The manufacturers in eastern Canada, of course, are not at all interested in getting a market for their goods. They do not benefit under the agreement in any way!

Mr. LADNER: The manufacturer receives a certain advantage, but I think a fair interpretation of the agreement will show that its main purpose is for the benefit of the prairie provinces and agriculture.

Mr. EVANS: Does not the hon. member know that we are still paying a higher freight rate under the Crownest pass agreement than the local rates in eastern Canada?

Mr. LADNER: That depends on whether you live in Calgary or Edmonton, but generally speaking, the rates are considerably lower.

Mr. EVANS: No.

Mr. LADNER: All the discussion would indicate that it is the people who are getting the benefit of the rates who want the Crowsnest pass agreement continued. The railways, who are operating under it, do not want it.

The CHAIRMAN: I would draw the attention of the hon. member to the fact that his remarks are becoming slightly irrelevant to the question whether there should be a bounty granted.

Mr. HOEY: I have been very much interested in this discussion. I think we are all anxious to see a binder twine factory established in the city of Winnipeg. I think, however, it would be regrettable if the impression went abroad that the negotiations collapsed because of the inadequacy of the bounties offered. I was hoping that the Minister of Agriculture (Mr. Motherwell), or the member for Nelson (Mr. Bird), or perhaps the member for Dauphin (Mr. Ward), would tell us something about the actual experiences men have had in the growing of hemp. I have seen hemp grow, hundreds of acres of it. I have interviewed men such as Mr. Cotton, of Swan river valley, and I want to say that the men who have attempted to grow hemp have so far been profoundly disappointed with the results. In conversation they have told me they cannot grow a uniform crop. I have seen patches of hemp growing on Mr. Cotton's farm eleven feet high, and other patches that would not be more than from eighteen inches to two feet —useless hemp. Furthermore, they told me that the machinery necessary to harvest it was almost prohibitory in price, that the curing of hemp was a problem that had never been thoroughly investigated, and consequently they were not persuaded in their own minds that hemp could be profitably cured in a commercial way in the province of Manitoba.

Mr. McMURRAY: Did the hon. member discuss this matter with Mr. Coote when he was here? Is it not a fact that Mr. Coote was thoroughly satisfied that hemp could be raised here to the greatest advantage?

Mr. HOEY: I think that is just how we get into a great many of our troubles. In a conversation with me—and I was very much interested in the question—Mr. Coote said that he was basing his reports upon information gleaned from certain citizens of Winnipeg, men who might be described as legitimate or illegitimate boosters. But I am speaking of hemp as I have seen it grow in the province of Manitoba, in the northern sections of the province, and of interviews with men who have had experience in growing it.

Mr. McMURRAY: Will the hon. member answer the question? Was not Mr. Coote, who was largely interested in this as an expert, satisfied that hemp could be profitably and successfully grown? Never mind what his researches were.

Mr. HOEY: He expressed the opinion to me that he had little if any knowledge of growing hemp, or in fact of hemp. The Belfast Rope Works, the largest institution of its kind in the world, imports most of its raw material, and on the growing of hemp, Mr. Coote was not at all well informed, nor was he primarily interested in it. In view of the cost of the machinery, I think it will take a lot to persuade the farmers of Manitoba, particularly those who have already grown hemp, and grown it at an entire loss, that it can be profitably cured, and it will take a great deal of persuasion to get them to take up the growing of hemp in the future. I think that this is a problem that might very well be taken up by the committee on industrial research, and we might have more information on it from the experimental farms; although I do not place much faith

in their reports, because any hemp they have grown has been grown on small plots. I have seen it grown over one hundred acres or so, and I can assure the committee that it was not anything like uniform in height or in commercial value.

Mr. MOTHERWELL: On the invitation of the hon. member for Springfield (Mr. Hoey), I would like to give the experience of some of the experimental farms and some other farms. The very first year that I had this work in hand we sowed hemp on every experimental farm where there was any chance of its growing. You have to put it on reasonably good land, strong heavy land such as you get in the Red river valley, to attain the best success; and at our farms in both Saskatchewan and Manitoba we have had pronounced success in the growing of hemp nearly every year. In addition to that, turning away from the experimental farms I am sure that the hon. member for Portage la Prairie (Mr. Leader) and the hon. member for Dauphin are familiar with how hemp has been grown in their respective localities. One of the reasons why hemp has become so unpopular in Manitoba is this: In 1921 they grew a magnificent crop at Portage la Prairie, with the understanding that they were going to have a factory to manufacture the hemp, and that they would get a price for their product. The enterprise did not materialize, and they were left with the hemp on their hands. There was no other purpose to which it could be put, and so it was a loss. That was the condition, and they did not want their fingers burned a second time, in the same way at all events. That is the disability under which this whole enterprise has had to grow ever since 1921. The fact is that the farmers had too much faith that the money would be forthcoming to put up the necessary building and to keep it going. I think it was very unfortunate, but probably it was natural that they should go too casually into the enterprise. I have no hesitation in saying that in my opinion the heavy lands in Manitoba, Saskatchewan and Alberta are eminently adapted for growing hemp successfully, running up to eight and ten feet, and the longer it is the better the fibre will be. I saw a very large field of hemp in Hungary on one occasion and judging from the look of it our fields of hemp appear to be quite as satisfactory as theirs. Of course, I do not know how an analysis of it would turn out, but I do know that a trial shipment of hemp to Ireland resulted in a very satisfactory manufactured product. This was only after prolonged experimentation. The experiments have been going on for twelve or fifteen years; it is not a new undertaking by any means. I think that the least troublesome feature of the industry is the growing of the hemp. I might supplement what has been said by my colleague (Mr. McMurray) in that regard. Just as he indicated, the reason the money was not forthcoming was because the inducements were not sufficiently strong to warrant the investment of capital in the enterprise especially during these troublesome times in Great Britain. There have been something like four governments in power in Great Britain since these negotiations were started, with the result that financial conditions are somewhat disturbed and investors will not put money into the enterprise as quickly as under normal conditions. Consequently, for the purposes of encouragement assistance must be extended, particularly during such a period as we have been passing through during the last few years. I think these are substantially the reasons why the undertaking was not proceeded with—the lack of assistance, the shyness of capital, the disturbed political conditions, all these added to the difficulty of floating bonds or any other kind of securities for the development of industries in any of the overseas Dominions. These reasons are quite understandable, and I am sure will appeal to the hon. member for Springfield.

Mr. HOEY: With respect to the amount of moisture or rainfall, does the minister think it is sufficient to grow hemp profitably year after year?

Mr. MOTHERWELL: I do. The difficulty is more in the matter of weeds. You must not have a lot of weeds on summer fallowed land, because it spoils the fibre. Then you must not put in your crop too early because the cold weather in the early spring is not as harmless to the hemp as it is to wheat. Furthermore, if there is a mass of weeds at the butts of your sheaves it lessens the quality of the hemp. I have had a full discussion of the matter with the hon. member for Dauphin (Mr. Ward). I have not discussed it, I think, with the hon. member for Portage la Prairie (Mr. Leader) but I am familiar with the land around Portage la Prairie. My first experience in the west was gained there, and I think the lands are exceedingly uniform in character and that hemp can be grown very satisfactorily there; at any rate I know of no difficulties in the way. I suppose there would be some years when there would be a drought, but in particular areas, especially in Dauphin and in the Swan river country, the same amount of drought is not experienced as in,

perhaps, the southern parts of Manitoba and Saskatchewan. I do not fear for the success of this industry because of any difficulty in the way of growing the raw material. I suppose it is like any other crop, I do not care what; even in the case of our major crop, wheat, there are occasionally off periods of production. But I do not know of any crop that is more certain than hemp if it is properly handled. But that applies also to any crop; you have to observe the conditions necessary to success if you wish to obtain the best results.

Mr. LEADER: I should like to substantiate what the Minister of Agriculture has said with regard to the ability of the soil at Portage la Prairie to produce hemp fibre. I also wanted to support what the Solicitor General has said with respect to the different soils in Manitoba being able to produce a good quality of this raw material. I was surprised that the Solicitor General did not in that connection mention the locality from which I come because it is a well known fact that if flax eleven feet high can be produced anywhere in Manitoba we can produce it two feet higher at Portage la Prairie.

Mr. MOTHERWELL: I think you can.

Mr. LEADER: What the Minister of Agriculture said in regard to the experiment at Portage la Prairie in the years 1920 and 1921 is true. Flax of great length was produced there on a private farm. I believe the statement was even made that a factory was to be built at Portage la Prairie.

I should like to suggest that if the government contemplates going on with this factory it should adhere to the original proposition and locate the plant in the city of Portage la Prairie. The Solicitor General has stated that the soil of the Red river valley is adapted to the growing of hemp fibre, and that it will have a tendency to clean the ground. I do not know whether that is true or not, but I do know that the Minister of Agriculture has stated that the soil should be absolutely clean before the hemp seed is sown. That would imply that we cannot grow hemp fibre on a soil that is dirty, it must be cleaned first. Consequently considerable time, trouble, and expense to the farmers will be entailed in cleaning up the soil and seeing that their fields are thoroughly cleaned before sowing the seed.

I should like to ask the Minister of Trade and Commerce what the attitude of the government is in the matter of bounties. Does the government wish to confine the bounty entirely to the manufacturers, or is it intended to aid also the farmers who produce their own material?

[Mr. Motherwell.]

Mr. LOW: The Department of Trade and Commerce is simply carrying out the administration of the act, and if my hon. friend will address his question to the Acting Minister of Finance I am sure that hon. gentleman will be able to tell him whether he contemplates granting further encouragement to agriculture or any other industry. The matter does not come under my department. I merely want to impress upon hon. gentlemen that my department is simply administering the act.

Mr. LEADER: Does it not occur to the minister that the one who produces the article in the first place is more entitled to the bounty, if any bounty is given, in preference to the middlemen who take toll out of it afterwards?

Mr. LOW: I may say that I have my own opinion about all these things, but at this particular time I do not deem it advisable to make any statement of policy. When the budget is under discussion perhaps I shall tell my hon. friend just where I stand on these matters.

Mr. McMURRAY: I may say to the hon. member for Portage la Prairie that the producer of the hemp does share fully in the bounty that is granted. In this way: At the commencement of the industry the farmer must be paid a considerable amount for his product; I think the arrangement is that the land is rented from him and he is allowed so much per acre. He does not have to grow the hemp himself unless he wants to. The offer having been made to him the money to provide for the crop will be deposited in the bank —I think that is the arrangement—in order to take care of the farmers crop of hemp this year. In that way they benefit from the bounty. The farmer is not bound to grow that hemp fibre but it appeals to him as better, perhaps, than growing wheat, and in growing that hemp fibre he shares in the bounty.

Mr. FORKE: Does the minister know of any desire expressed by the farmers that this industry should be started at Winnipeg?

Mr. McMURRAY: I am very sorry to say that I have not heard such an expression in this House, and I have been exceedingly astonished that I have not.

Mr. FORKE: Or anywhere else?

Mr. McMURRAY: But there has been from the farmers in Manitoba and the Red river valley, an excellent sphere of operations. Now that the arrangements have been made

I must say that I am absolutely astounded that our friends from Manitoba are not supporting this proposition.

Mr. BIRD: The minister need scarcely be astonished. I think the reason is to be found in the fact that the farmers are not keenly interested in the matter. Two years ago I took the opportunity of sounding a representative body of farmers in my riding, and they declared themselves emphatically against it. Not because the country will not produce hemp; it will produce hemp and many things; it will produce apples and plums, and I believe, watermelons, in certain seasons; it certainly will produce hemp. But in the year during which hemp was tried it did not produce it very well. I have not inquired into the growing side of it, and I do not think the farmers in the Swan river valley are objecting to it so much from that point of view. I think they all believe they could grow hemp almost any season, because in the Swan river valley we have more than our share of moisture. I think that is one of the fundamental requirements in growing hemp—abundance of precipitation—and we have that in our district, to a greater degree than have Dauphin or Portage la Prairie. If there is one place in the west where hemp should be sucessful it is in the Swan river valley. We have the rainfall and we have the soil; the farmers are not objecting to it from that point of view, but they believe it would interfere with their ordinary farming operations. They do not believe the season in the fall is suitable for the curing process. And that leads me to make the remark that I do not believe the proposition has been sufficiently investigated. I do not believe our Department of Agriculture has carried its investigation far enough to justify them in attempting to bonus the industry. Before attempting to set an industry on its feet it ought to be ascertained whether it has any feet to stand on, and I am not sure, and the farmers in my district are not sure, whether the industry will be a paying one from the point of view of the farmer; and I think that when you attempt to establish an industry in the west it is the producer who should be considered. It seems to me that without sufficient investigation along those lines the possibility is that you are going to have an industry established in Winnipeg which will have to import its raw material. I can quite conceive that Mr. Coote and others were not very deeply interested in whether Manitoba produces hemp or not; it was the establishment of the industry that was a point of interest to them. Once established it would not matter whether Manitoba could produce hemp or not, because hemp could be imported, and the manufactured article could be produced under protection, which of course would be the natural result. I have no real objection to a bonus in principle; I think perhaps some day we will have arrived at a state of social and economic enlightenment in this country when we will sufficiently trust each other to be able to make these concessions in order that legitimate and indigenous industries may get on their feet. But at the present time I am almost sure, after hearing the expressions of opinion from this corner of the House, that this is a back door attempt to strangle the free trade opinion of the west by means of hempen rope.

Mr. MOTHERWELL: I may say that my attention was first drawn to the advisability of entering into this proposal by four Progressive members sitting right over there, and if I am challenged I will name them, but I am not going to mention the names unless I am asked.

Mr. FORKE: You must not do that.

Some hon. MEMBERS: Name, name.

Mr. MOTHERWELL: Let one of the four make the request and I will give the names. I had a good interview in my office on this subject, and I was stimulated more strongly to go into it because I thought I had somebody behind me that knew something about the capacity of Manitoba to grow hemp. I did not divulge this two years ago, because I did not want to do it at that time, but when they have shown, not only lukewarmness from the very province and the country we are trying to benefit, but a certain amount of hostility, I think I am entitled to indicate where the encouragement first came from. If any new information has been brought to their attention since then to warrant a change, let them give us the benefit of it, and a change may be made even at this stage. If I had information brought to me at the present time that warranted me in changing my mind with regard to the possible success of this enterprise, particularly with regard to growing the raw material, I would consider myself at liberty to make the change, but that additional information has not been put before the House; certainly none was put before me. The longer I look into the question the more I am convinced that the manufactured article can be produced from the raw material out there. I cannot think

of one single substantial new industry which has been established in my province during the last twenty years which has not got some kind of infantile assistance from which it has been gradually weaned. Is that not the way the animal and human kingdom is developed from infancy? But on the other hand, while I believe in helping them while they are young, I do not believe in helping them when they become hoary-whiskered and fifty years of age. I think we have been reasonable in this connection; we assist the young industries but we draw the line at the older ones. There is nothing inconsistent in our position in that respect. Would you extend the same paternal care to a young man of twenty-five as you would to a child of a year old? Certainly not. Neither should you extend the same assistance to an industry which has been in existence for twenty-five years as you would to one which has just been born; there would be no logic in that. However, I have stated the position we take on this question. If you want to start a home industry without some assistance and let them depend upon foreign nations for their raw supplies for all time to come, well and good.

Mr. LADNER: In view of the hon. minister's embarrassment—

Mr. MOTHERWELL: No embarrassment at all.

Mr. LADNER:—and a non-appreciative audience from Manitoba, may I ask him if he will not place this five-million-dollar industry in the city of Vancouver, which has both arms open to him?

Mr. MOTHERWELL: I made the statement two years ago that I had no doubt that if this industry was once established it would extend to the Pacific coast.

Mr. LADNER: If our friends in Manitoba want to choke the industry by not supplying the hemp, we can get it by water from across the seas.

Mr. MOTHERWELL: I do not think our Manitoba friends in their hearts are against it, but I will tell you what they do not like; when they are endeavouring in their hearts to assist a legitimate industry, they do not like to have it thrust in their faces that it is protection.

Mr. LEADER: I think the hon. member for Vancouver South (Mr. Ladner) will withdraw the remark he has just made, when he thinks it over. We are deeply interested in this question. The Solicitor General (Mr. McMurray) said no one from this corner of the House had shown any desire to have this industry in that province, and the hon. Minister of Agriculture says he can name four who approached him.

Mr. McMURRAY: The four did not mention it to me.

Mr. LEADER: I am not particularly interested in that phase of it, but when he says that the farmers are not interested, I will tell hon. members why. There was a farmer at Portage la Prairie who raised a crop on two or three hundred acres; he produced a splendid article, and because there was no machinery to take care of this product he burned it. I want to tell the government: promote a factory, do not depend upon any government pap, and we will furnish the raw material which we have amply demonstrated we can do, if we are shown a reasonable profit for our labour.

Mr. WARD: I have no hesitation in telling the House that I was one of the four. There is an angle of this question that has not been dealt with this afternoon, and it is the real crux of the matter. We are producing in Canada something like 1,000,000,000 to 1,200,000,000 bushels of grain annually, and we are absolutely depending upon a semi-hostile nation for our twine supplies. Supposing that war should break out between Mexico and the United States; our sympathies would naturally drift to the United States, would they not? Where, then, would we be for our twine supplies? The time is long overdue when Canada should have been seeking a way out of this difficulty by producing her own twine supplies. I was one of the four who approached the Minister of Agriculture (Mr. Motherwell). We can produce hemp in the Dauphin district quite as well as in the Swan river district. But I am not particularly interested in the question where the factory is to be established; you can establish it at Portage la Prairie, if you like, but establish it where you can produce the twine most cheaply; if you can produce it more cheaply at Portage la Prairie than at Winnipeg or anywhere else, establish the plant at Portage la Prairie. But establish the factory and we will produce the raw material. I am not averse at all to giving this new industry some assistance, and I do not think I am sacrificing any of my free trade principles in saying so, as long as proper safeguards are thrown around the bounty and it is put on a sliding scale. Let them have a sufficient bonus at the outset to give them a

good send-off. I corroborate what the Minister of Agriculture has said,—when the industries get hoary-headed and have whiskers a foot long, it is time to take the bonus away from them. But this is an industry that we should seek to establish in Manitoba.

Mr. LOW: May I draw the attention of the committee to the fact that this was an act passed in 1923. I have no doubt that everything in connection with the act and the industry was discussed at that particular time, and I cannot see what good will be done by continuing to discuss the industry. Unfortunately, the industry has not started. Many reasons may have entered into that. But the act is on the statute book and the only way to get rid of it is to repeal it. This is an item of $500, and we have occupied the time of the House this afternoon for an hour and one-half in discussing this question at a cost to the country, I should think of almost $500. I do not of course, wish to curtail discussion at all.

Mr. FORKE: I want to take up a little more of the time of the House, because the Minister of Agriculture has to-day made some statements in regard to which I should like a little more explanation. He speaks about being interviewed by four Progressive members who apparently were afraid to mention the fact that they had interviewed the minister. I have been searching my memory and I recollect who the four members were who did not interview the minister, but who went to the minister upon his invitation. That is quite a different matter. I recollect going down to the minister's office with Mr. Coote and hearing this matter discussed. If the minister can get his memory to work, he will recall that there was very strenuous opposition to offering any large bonus to any company to start an industry as to the success of which we were not very sure. It is all very well to point to hon. members in this House and to blame them for not standing behind him when he advocates the establishment of this industry; but I feel certain that his memory is at fault, and I have no hesitation in stating who the members were. They were my deskmate, the hon. member for Springfield (Mr. Hoey), the hon. member for Lisgar (Mr. Brown), the hon. member for Dauphin (Mr. Ward) and myself, who went to the minister's office on the invitation of Mr. Coote and the Minister of Agriculture to discuss this question.

Mr. MOTHERWELL: The statement made by my hon. friend is reasonably correct, but there is another side to it. I do not recall whether it was Mr. Coote or myself who invited my hon. friends but we will let that rest. We discussed in a very frank and friendly manner the protective nature of the question, and I remember quite well our friends from Manitoba took the ground that they could not defend that side of it. I understood, however, from them equally candidly that they would not oppose it. If they are not opposing it now, I am glad to know that.

Mr. McBRIDE: I was one of the men who went to the minister's office, and I have no apology to make to this House for doing so. I would do so again. I went repeatedly, not only to the Minister of Agriculture, but to the Minister of Finance in regard to this hemp question, and in doing so, I was doing my duty to the citizens of Canada, because this is an industry that should be started and receive every assistance. We on the Pacific coast are sending hundreds and thousands of dollars out of the country every year for rope. If this industry was started, we would not have to do that. Canada will not be what it should be until we get some of these industries started.

Mr. BROWN: This seems to be a time for confession, and it is true, as has been stated, that we went to interview the minister on this question. I was one of the four. We discussed the matter very freely. It is true, possible objections were raised, possible advantages discussed, and for my part I have always contended that if industries were to be helped at all, the principle of bonusing is infinitely better than that of protection for the reason already given that there is at least some finality to a bonus. For my part, I would be only too delighted to see an industry of this kind established in Manitoba with reasonable help given to it at the outset. Whether hemp can be grown satisfactorily or not under average conditions that prevail in Manitoba, I do not know. Whether sufficient investigation has been made of the whole question prior to the present time, I do not know. I do not think, however, it would be fair to cite as an objection the fact that a large crop was grown in 1921 and that there was no market for it. We know that this is a crop that is of no use to anybody unless there are proper facilities for taking care of it. I may say freely that I have some doubt whether average conditions that prevail, not only for growing the hemp, but for taking care of it in the fall, will be such as to make it satisfactory to go into this industry. We know perfectly well our

5 p.m.

fall conditions are frequently such as would probably interfere altogether with the harvesting of the crop—last fall, I think was of that character. At the same time, if it can be shown that there is any reasonable prospect of success, I should like to see the industry started.

Mr. MILNE: I have no confession to make; but as practically all the Manitoba members have been vying with one another in regard to this project of making rope from hemp, I want to say just a word. So far as I have been able to gather, most of the propaganda circulated throughout the country in connection with hemp growing has been published and circulated by promoters. Farmers are somewhat leary of promoters and I do not blame them a bit. As a matter of fact, in trying to get information as regards hemp growing, I came across some people who were making investigations. I am not going to give their names because they told me definitely that the experiment had not been carried on long enough for them to give out concrete information to the farmers or to advise them whether to take up hemp growing or not. Now it seems to me that the experimental farms should carry on this work. I think a programme should be laid out at those farms to demonstrate to the farmers whether hemp can take a place in the ordinary crop rotation of the western farm. We have had some contradictory statements in this regard. I think the hon. member for Portage la Prairie (Mr. Leader) stated that you must have clean land for hemp. Well, clean land in some sections of Manitoba is rather hard to find these days, and perhaps one of our biggest problems in western Canada, especially in Manitoba, is the weed crop. I think the government would be well advised, if they have the information available, to inform our farmers whether hemp growing is feasible and practicable on the farms of Manitoba. If that were made clear, I think there would be no difficulty in getting the necessary raw material for any factory that might be established. I certainly should like to see the industry established. I will not oppose its formation in any way if it can be accomplished on a sound basis, but I think it would be unfortunate if an attempt were made through promoters before a thorough investigation had been conducted along the lines I have suggested.

Mr. MILLAR: Has the minister any definite information concerning the point raised by the member for Lisgar (Mr. Brown) as well as by the last speaker (Mr. Milne) that is, the proper caring for the hemp after it is grown. I remember years ago when the old binder twine factory was in operation in Brandon the head of it interviewed experts and travelled in several countries, spending a lot of time and money in an endeavour to solve this problem. If I remember rightly, when the factory got into financial difficulties the matter of retting, that is the caring for the flax after it is grown, was still unsolved. That I believe is the greatest difficulty confronting the industry.

Mr. LOW: I am sorry I have not any information on the subject; it does not come within my department.

Mr. MILLAR: Perhaps the Minister of Agriculture (Mr. Motherwell) can furnish the information?

Mr. MOTHERWELL: If my hon. friend will visit the flax plant at the experimental farm he will find that the necessary retting process can all be done indoors. I think the same applies to hemp, but I am not quite sure. When I went through the hemp factories of Hungary something like fourteen years ago, they were still following the old outside process, but since then I understand they have adopted mechanical processes that have proven equally satisfactory and more convenient, being entirely under control.

Mr. TOLMIE: Mr. Chairman, I am sure all members will agree that we have gone into this matter very fully. I may inform the hon. Minister of Agriculture that even before his time not only farmers but manufacturers were interesting themselves in the growing of hemp in our western country. I remember at that time we investigated the matter pretty thoroughly, and there did not appear to be any sound objections to the growing of the crop. The Minister of Agriculture has stated that further experiments have been made at the various experimental farms, and that the results have been satisfactory. It has been pointed out too by the Solicitor General (Mr. McMurray) that our demand for material of this kind to manufacture binder twine is very great. It has also been further pointed out by hon. gentlemen to my left that in the event of Mexico being at war perhaps our present supply of sisal for the manufacture of binder twine might be very seriously interfered with. On the other hand we have these negotiations progressing for a number of years without any definite result. Well now, if it is good to give a small bounty of one and a half cents a pound, and if it is practicable to give more than that, why not give it and get the industry started?

Mr. CLARK: A great deal has been said this afternoon about getting this industry started. It seems to me that it is in that very word that the difficulty lies. Everbody seems interested in getting the industry started. But, as the Minister of Agriculture very aptly stated, our farmers are not growing hemp because they are afraid of getting their fingers burnt. I think that this also applies to the capitalists who are expected to put $5,000,000 into this industry. If the sole ambition of hon. members is to get the industry started, they may be certain that the capitalist will hang on to his money until he is no longer afraid of having his fingers burnt. The Minister of Agriculture stated that he would be willing to apply the doctrine of protection to infant industries. Now, that is welcome news to me personally as one who is not afraid to state he is an out and out protectionist for every legitimate industry. But he and others say that when the industry is established the protection must cease. In my opinion that is just what is making it very difficult to get this industry established.

Mr. ROBINSON: May I ask the hon. gentleman what he means by a "legitimate" industry?

Mr. CLARK: I have not time to go into details. I am talking of one now which is legitimate. I know of very few industries in this country that are anything but legitimate. However, I think we will have very serious difficulty in establishing this particular industry and continuing it unless we are prepared to say to its promoters, "Just so long as you require assistance, whether it be protection or whether it be anything else, we will see that you get it, because the principle that we are prepared to adopt is to assist all legitimate industries." If we are willing now to recognize this industry, and assist its establishment, then surely we recognize it as a legitimate industry, and we should be prepared to look after it, whether it be for six years, ten years or throughout the history of our country. The Minister of Agriculture drew an apt comparison between protection for the infant of two years and the man of twenty-five. I would draw his attention to the fact, if he will listen to me for a moment, because it is something which his government might take very great interest in—but apparently he is not interested.

Mr. MOTHERWELL: What is the question?

Mr. CLARK: I would draw his attention to this fact, that to-day it is not the infant of two years that is leaving this country but it is the well-educated, full-grown man, the man that forms the very life blood of the nation. Now, which type requires assistance or protection; is it our young manhood—migrating to the United States at the rate of 200,000 a year—or is it our infants of tender age?

Mr. EVANS: Tell us.

Mr. CLARK: I do not wish to insult the intelligence of the whole House. However, if the hon. member wants an answer, it is the youth we are spending millions of dollars to educate, to bring into the state of manhood, he needs protection to-day, we want to keep him in this country to-day, the man who is worth while to the nation. The only way you can keep him at home is to establish industries. And once you have established them, do not quibble over a period of six years; if the industry is a good industry, say that you are ready to assist it not merely for two years or four years or six years but as long as the country needs it.

Mr. LOVIE: Let us get back to some hard facts on the hemp question. I come from one of the best farming districts in southern Manitoba—or as good as there is in any other part of Manitoba, at least—and I do not think the farmers there ever heard the word "hemp" mentioned, at any rate so far as the raising of hemp as a crop is concerned. When hemp is raised, how does it get to the factory? What has to be done with it? What machinery is needed for the handling of the crop in the fall? What facilities are necessary for shipping? Are the sheaves loaded on flat cars or is it baled and put in box cars? What are we up against as regards the marketing of the crop?

Mr. STEEDSMAN: Before there is any suggestion of increasing the bounty on hemp we ought to be sure that there will be a supply of the raw material for the factory when it is built. Personally I have never grown hemp, and I am not going to dispute the assertion of the Minister of Agriculture that it has been demonstrated clearly that hemp can be grown. But it has been mentioned, I think, by one hon. member that the hemp crop is of such a nature that it cannot be harvested and got to the factory in the fall in sufficient time to make the land available for the crop the next year, in other words, that it will not lend itself to rotation. The Minister of Agriculture has said that it was necessary to have clean land, and summer fallowing was suggested. If that is so it will take three years to grow a crop of

hemp, and the product would have to bring a good price to induce any farmer to undertake to grow it commercially. If my memory serves me correctly, the professor of field husbandry at the Manitoba Agricultural College has made the statement that hemp will not lend itself to rotation and that it cannot be got rid of in commercial quantities in time to prepare the soil for another crop the next year. If it takes three years to grow one crop it will be a pretty expensive proposition.

Mr. MOTHERWELL: I can understand its taking two years, but I do not see how my hon. friend makes it three.

Mr. STEEDSMAN: One year for summer fallow, one year to grow the crop, and your land is not in condition for the third year.

Mr. MOTHERWELL: Why?

Mr. STEEDSMAN: Because in our climate the crop cannot be harvested in time to get the land ready for another crop the next year.

Mr. McMURRAY: Has my hon. friend never heard of spring ploughing?

Mr. STEEDSMAN: Yes, but I would refer my hon. friend to the report of the field husbandry branch of the Agricultural College at Winnipeg. We want this thing amply demonstrated. It will not do for the minister to throw such suggestions at me; we want proof. If it takes three years to grow one crop then I think the matter should be looked into very thoroughly.

Mr. MOTHERWELL: If my hon. friend does not want to go into that enterprise he is not obliged to do so; it is purely an optional matter. As my hon. friend knows, there are areas both in northeastern Saskatchewan and in northwestern Alberta where the lands are too flat for the growing of wheat. It is the newer land; I am sure my hon. friend has heard of such areas. He says that it might take three years to grow a crop of hemp. I do not accept that at all, but suppose for the sake of argument it did take three years, I would point out that the same condition prevails in regard to the growing of tobacco, on account of the numerous fungous diseases which attack the tobacco plant. Notwithstanding this fact, tobacco growing is developing very rapidly in Quebec and Ontario. I assume that when a man decides to go into tobacco production he must figure on getting sufficiently paid for it, having regard to the fact that it takes three years to produce a crop. As to the point raised by my hon. friend from Macdonald, I must say I never saw a crop of hemp on wheels, but I remember as a young fellow in Ontario we used to cut hop poles, which are much coarser than hemp, so I assume the hemp can be transported in some way. A quarter of a million Christmas trees are cut annually in the province of Quebec, and they are just as bulky as hemp is. So there should be no difficulty in transporting hemp.

Mr. WARD: I would like to clear up some misapprehension on the part of the hon. member for Souris and the hon. member for Macdonald. We have been growing hemp in Dauphin for about eight years, not on a large scale, but in small patches. We have farmers there who grow a patch every year as a windbreak. They do not plough the ground in the spring. The hemp is cut down and very often it is burned. They simply put on a drill and sow the grain without ploughing; it is not necessary to plough before seeding. But whether you are growing hemp for commercial purposes or merely as a windbreak it is necessary to summer fallow, because the hemp is a very delicate plant when it is coming up in the spring and the weeds may get the better of it. Suppose we summer fallow in 1922; the hemp grows in 1923, and in 1924 they simply put the drill on and sow wheat. We have taken forty bushels to the acre off the ground where the hemp had grown the year before. So if the hemp can be removed in the fall of the year in which it is grown there is no reason why the land should lie idle the next year. It seems to me that we have been derelict in our duty in this matter of the production of such a commodity as binder twine, because we have been sending outside of this country every dollar we spend in the purchase of that material.

Mr. ROSS (Kingston): The minister said there was one industry manufacturing binder twine in Canada. Is that the only one?

Mr. McMURRAY: I think it was I who said that. I know of only one factory making binder twine in Canada, and that is at Brantford.

Mr. ROSS (Kingston): Can the minister say what was done with the machinery in the penitentiaries for the manufacture of binder twine? Is that still available?

Mr. LOW: I think the hon. member will have to ask the Minister of Justice that question.

Item agreed to.

British and Foreign News Service, $32,000.

Sir HENRY DRAYTON: Would the minister be good enough to tell us how this vote started? I cannot find out from the estimates. I notice there was a vote of $21,000 in the estimates of 1923-1924; there was an increase there of about $10,000 odd, but I do not see any vote previous to that. How was that carried, and what are the reasons for the increase?

Mr. LOW: The reason it was only $21,000 in 1923-1924 is that the vote covered the service for only part of the year. This vote is to provide for an agreement entered into in 1923 for a new service. The annual payment is $32,000. The full amount was voted last year. The agreement will expire in July, 1926.

Sir HENRY DRAYTON: When did the payments start? What was the first vote?

Mr. LOW: The agreement is for three years and expires in July, 1926, so it must have been entered into in July, 1923, and the first vote would be to cover the period from July, 1923, to the end of the fiscal year, a period of eight or nine months.

Sir HENRY DRAYTON: Is this something which takes the place of the former vote we had in connection with the news service, the vote that was objected to so bitterly two or three years ago by the hon. member for Pontiac (Mr. Cahill)?

Mr. LOW: I really do not know to what vote my hon. friend refers.

Sir HENRY DRAYTON: The vote for the Canadian Press Association.

Mr. LOW: That was a different thing entirely. This is for a foreign service.

Sir HENRY DRAYTON: So was the other. At the time this new service was initiated, did it take the place of anything or was it an entirely new venture?

Mr. LOW: This is for an entirely new service.

Sir HENRY DRAYTON: Is it not the fact that it was entered into just about the time the other service lapsed?

Mr. LOW: I do not know whether the contract was made just about that time or not. This agreement was entered into by my predecessor, now the Minister of Immigration. The other vote was a vote of $50,000 to the Canadian Press Association. That was dropped last year.

Sir HENRY DRAYTON: But it was promised to be dropped by the government before that time; it was stated in the House that it would be dropped. I think it was dropped just about the time this new agreement was entered into. What is the difference between the old service and the service the country gets under this agreement?

Mr. LOW: The other was to assist the press of Canada. This is to present independently and fairly to the outside world what is going on in Canada and to keep alive interest in Canada and Canadian enterprise. Reuters agree to transmit at least an average of ten thousand words monthly of Canadian news designed to promote the interests of Canada. The two services are entirely different. The other vote was towards the Canadian press.

Sir HENRY DRAYTON: I take it, then, that the vote that had lapsed was a vote that assisted in the dissemination of outside news from Great Britain and the like in Canada; in other words, it was something which would enable our own people to have news of what was going on in the empire at large; and this vote of $32,000 is, I understand, for the purpose of news being sent from Canada to other parts of the world.

Mr. LOW: Yes.

Sir HENRY DRAYTON: What are we getting for it? Where is the news collected, who collects it, and where is it sent?

Mr. LOW: Reuter's Agency in Canada collects the news and transmits it to the different parts of the empire and other parts of the world.

Mr. CHARTERS: How often is the news sent?

Mr. LOW: Daily.

Sir HENRY DRAYTON: By whom?

Mr. LOW: I am sure my hon. friend when he was abroad this year must have noticed many articles appearing in the British press and also on the continent as a result of this service.

Mr. SPEAKMAN: Is this news or are these articles from Canada censored by the government?

Mr. LOW: Not at all.

Sir HENRY DRAYTON: Is that quite right?

Mr. LOW: They are not censored.

Sir HENRY DRAYTON: Not censored or inspired?

Mr. LOW: No.

Sir HENRY DRAYTON: There is a vulgar impression abroad in the country that they are, owing to the government's having appointed the same gentleman who looks after the government's publicity. Will my hon. friend deny that?

Mr. LOW: No, but I will make inquiries to satisfy my hon. friend.

Sir HENRY DRAYTON: I did not think my hon. friend would deny that. Surely there is no mystery about it. He is a very good man for that kind of work, a very estimable gentleman. I think the government were very wise in engaging him as publicity agent. Apparently it is necessary to have a publicity agent and that sort of thing nowadays. I think the government were very wise also when they chose the agency of Reuter's as their publicity agency. My hon. friend asked me whether I had noticed a whole lot of items last summer on the other side. Well, if he is going to ask me as to the number of items, I must confess that I could not get very many. It may be I was not lucky enough to get any of the newspapers that were getting help out of this $32,000. Perhaps my hon. friend would give me a list of the papers I should have been reading and was not. In other words, we are paying $32,000 a year for advertising overseas, and I want to know in what papers these items appear.

Mr. LOW: In almost all the British daily papers.

Sir HENRY DRAYTON: Anywhere else, in any other countries besides England?

Mr. LOW: Wherever Reuter's have an agency.

Sir HENRY DRAYTON: Is there one in Paris?

Mr. LOW: Yes.

Sir HENRY DRAYTON: Then I should like to know also the name of the newspaper in Paris because I certainly could not find any, and I read most of them. Perhaps the deputy could turn up the list and let us have it?

Mr. LOW: He has not got the list of papers.

Sir HENRY DRAYTON: Does not the contract show the list?

Mr. LOW: No, the contract does not show the list. It would be impossible to embody in it the names of the different papers served by Reuter's service,—it is a very lengthy list.

Sir HENRY DRAYTON: I should have thought that you would have had something definite in this contract which would show just how much space we are to get, and in what newspapers the information was to appear. Surely the contract contains some provision which will indicate exactly what we are paying for.

Mr. COOTE: May I make the request that the minister speak a little louder, we are not able to hear what he is saying.

Mr. LOW: An agreement was entered into in June, 1923, with the government of Canada by Reuters—London—for a news service to the United Kingdom and countries in the British Empire, as well as to the principal countries of the world. This provides for the transmission by cable to the United Kingdom of an average of 10,000 words monthly of Canadian news designed to promote the interest of Canada. This is to be in addition to the service which Reuters already cable to Canada from the world at large, which they undertake to maintain at its present average length. It is also provided that there shall be a general dissemination throughout the United Kingdom, the British dominions, and elsewhere, of mail news calculated to arouse and maintain interest in Canada and Canadian activities—commercial, financial, industrial, agricultural and so on.

Sir HENRY DRAYTON: Is that as far as we get?

Mr. LOW: Yes, unless I send the hon. member a copy of the contract which I shall be very glad to do.

Sir HENRY DRAYTON: Oh, I think there will be some clause which will show what we get.

Mr. LOW: I have just read the clause and it states exactly what we get.

Sir HENRY DRAYTON: That is wonderful in its generalization, perfectly marvellous. It appears to be more general than concrete; to be more general would not have been possible. Now, if my ear caught the minister's statement aright there are two services that we get; we get a service to Canada as well as a service out of Canada. Perhaps we can find out what happens to the service into Canada if we cannot learn what happens to the service out of the country. Now then, we have a service into Canada. Where does it go and who gets the benefit of it?

Mr. LOW: All the newspapers take Reuter's service. That service extends all over the world, and the newspapers that patronize it get the benefit of the news which is transmitted from one country to the other.

Sir HENRY DRAYTON: Well really the long and the short of it is this: We have nothing definite in our contract at all. We are paying $32,000 for Reuter's correspondents getting the privilege of taking some of our news. If I am wrong in the idea I should like my hon. friend to put me right and show me wherein I am wrong. That is the position of affairs unless there is something more definite which we are entitled to under the contract.

Mr. LOW: I have read the clause covering the item in question which shows that an average of 10,000 words of Canadian news must be transmitted monthly; Reuters undertake to do that. I am sure that is very definite—ten thousand words or more. What more definite information would my hon. friend like to have in the contract?

Sir HENRY DRAYTON: Surely my hon. friend sees what we are really interested in is the publication. We are entitled to get something definite on that question, one would think. I suppose it can be said that if the ten thousand words were sent that would look to be fair. That is true to some extent, but it is the matter of publication that we are interested in, and surely the minister ought to know whether we are really getting publication and to what extent use is being made of these ten thousand words per month.

Mr. LOW: Let me state for the benefit of my hon. friend that we received during the past year 12,975 clippings from British newspapers dealing with Canadian news items. I am sure that is something worth while.

Mr. FORKE: What particular use is made of these clippings?

Mr. LOW: They are sent to the various departments that are interested in them and are used for whatever purpose those departments may deem best.

Mr. FORKE: Has the government any say at all as to what sort of news shall be sent to Great Britain?

Mr. LOW: No, we have no control.

Mr. SPEAKMAN: As I understand there are two clauses in the agreement. One provides for the transmission to the United Kingdom of Canadian news designed to promote the interests of Canada. The other deals with the general dissemination throughout the United Kingdom and elsewhere of news likely to arouse and maintain interest in Canada and Canadian activities. I was wondering how the government ascertains whether these undertakings are observed? Is the sending out of news calculated to promote interest in Canada left entirely to Reuters?

Mr. HOCKEN: Whether it is in the best interest of Canada or the best interests of the government?

Mr. SPEAKMAN: I wanted to find out who is exercising supervision.

Mr. LOW: Reuters is a very reputable agency. We go over the clippings as they come in and we find that the news transmitted is of interest to the various departments, to the people of Canada, and also to the people of those countries in which the news is published.

Mr. FORKE: The minister will realize that it makes all the difference in the world whether the news is taken, as for example during the debate on the Address, from the statements of the government or from the statements of the opposition.

Mr. LOW: The field is covered from all sources and sometimes the remarks of the opposition are found transmitted in the service.

Sir HENRY DRAYTON: Not all.

Mr. CARROLL: I should judge the government would be very interested in getting back clippings from the various newspapers who take advantage of this service and ascertaining whether any false news is being transmitted. If such was the case correction could be made. It is pretty safe to presume that nothing is being sent out but what is to the advantage of Canada industrially and socially or otherwise.

Sir HENRY DRAYTON: My hon. friend would not suggest that false news is being sent out. I do not think anyone would for a moment suggest that Reuters is sending out false news.

Mr. CARROLL: I do not suggest that either, but if it were done the parties responsible could be brought to task.

Sir HENRY DRAYTON: I should like the minister to tell me if the general impression that I have drawn to his attention is wrong. The government has a pretty good hold of the situation owing to the fact that the very capable gentleman who acts for Reuters also acts as its publicity agent here at Ottawa or director of government information if you like. Combining these two activities as he does, it is fairly clear that he would do the government no harm in whatever messages he sent.

Mr. CARROLL: Why should he?

Sir HENRY DRAYTON: I am not saying that he should. It may be that it is a very proper precaution for the government to take.

Mr. HOCKEN: The minister tells us that he has received twelve thousand clippings. That does not indicate exactly how many different items were sent out by Reuters. What service do we get for this money?

Mr. LOW: The number must be quite large. We do not receive them all. We have received about twelve thousand. That does not cover all the items.

Mr. HOCKEN: Do I understand there were twelve thousand different items sent out?

Mr. LOW: Twelve thousand in British newspapers alone. About 860 of these items related to agriculture in this country.

Mr. CHARTERS: Separate items?

Mr. LOW: Yes.

Item agreed to.

Mr. LOW: I would like to return to vote No. 355.

Bounty on crude petroleum, administration of, $1,500.

Mr. LOW: It is always a good sign to see members anxious to get as many details as possible in connection with the votes, but it seems too bad that the time of the House should be taken up asking many questions when if the members would sometimes turn to the reports that are filed at the opening of the session they would find the information they require, instead of spending hours in the House trying to extract the information from the minister. I find at the opening of the session I placed on the table of the House the thirty-second annual report of the Department of Trade and Commerce for the year ending March 31, 1924, and just so soon this afternoon as my hon. friend the ex-Minister of Finance (Sir Henry Drayton) discovered that we did not have with us certain details in connection with a small vote, he endeavoured to press—

Sir HENRY DRAYTON: What item is being considered?

The CHAIRMAN: Item 355.

Mr. LOW: I am glad that I am now able to give him the full details, and if my hon. friend had only taken a glance at page 40 of the report filed weeks ago, he would have found an answer to every question with which he endeavoured to embarrass the department.

[Sir Henry Drayton.]

Mr. ARTHURS: Was the minister aware of the details himself?

Mr. LOW: I knew they were in the report, but I told the House I did not have them with me. I find here the total production in the province of Ontario, the production in each county of the province and in each township in the county, the number of gallons produced in each month of the year, the amount of bounty paid each month, and the total bounty paid for the twelve months. If my hon. friend will just refer to page 40 of this report he will find everything in it that he asked for this afternoon.

Sir HENRY DRAYTON: Now that my hon. friend knows something about his subject, I am going to ask and get from him, as I am entitled to, the information in connection with this vote.

Mr. LOW: I am sending the report over to my hon. friend.

Sir HENRY DRAYTON: I do not want the report. I would have thought that he would have had the material here, and if my hon. friend thinks he can make great progress by homilies as to what other people should do I am quite content he should think so, but I am still going to try to get some facts relative to what may be thought by my hon. friend to be matters of no importance, but which are of some considerable importance to the people immediately interested in them. As he has the information I am going to ask him, what the amount of production was last year in barrels?

Mr. LOW: For Ontario?

Sir HENRY DRAYTON: Yes.

Mr. LOW: The total number of barrels for the fiscal year ending 31st March, 1924, for Ontario, was 156,092.

Sir HENRY DRAYTON: Are the figures having to do with the administration of this department later than the last fiscal year? What has been paid this year? What is the production this year? My hon. friend seems to forget entirely that there is a broken period here in connection with the change in the bounties. My hon. friend can tell me now—unless the work of the department is entirely behind—what has been paid and what the production has been month by month down to the last accounting period. The books certainly should have been closed six weeks ago.

Mr. LOW: The information is in the report. It gives the statistics up to the end of the last fiscal year. If my hon. friend insists on bringing these right up to the 31st January of this year, we shall have to make up the statement for him and present it to him when these estimates are under discussion again. My hon. friend knows well it would be impossible to present a report to parliament showing the figures right up to the previous month. I thought I had all the information necessary for the House in connection with this vote, and if giving the details of the fiscal year ending 31st March, 1924 is not sufficient, and if the House wishes further information, I will have to ask to have the item stand over, but I must know the wishes of the House in connection with this matter.

Sir HENRY DRAYTON: My hon. friend asks to have it stand over.

Mr. LOW: Yes, to get the information for which the hon. gentleman asks.

Sir HENRY DRAYTON: The minister has not got it yet. I also wanted to know the number of wells operating. Can the minister give me that now?

Mr. LOW: No, there is no information as to the number of wells operating. That will come under the Department of the Interior or the Department of Mines. We are simply administering the act and we do not record the number of wells.

Mr. FANSHER: When this item was up for discussion early this afternoon I made inquiry of the minister as to how many claims were presented for bounty. We are asked to vote a certain amount for the administration of this work, and I think it only proper we should know the number of claims and the extent of the work in connection with the administration of the bounty.

Mr. LOW: I will be glad to give my hon. friend full information on the extent of the work in connection with the administration; but so far as the amounts which have been paid to each individual producer are concerned, I have not that information. The officials employed in connection with this work are: W. D. McDermid, supervisor at Petrolia, at an annual salary of $1,560; Hugh Boyle, part time, Sarnia, $200; S. E. Slipper, Edmonton, Alberta, $200; O. J. O. LeBlanc, St. John, $100. Travelling and other expenses amounted to $940. Of course, as I stated at the outset, the payment of bounty expires the 30th June this year.

Mr. FANSHER: I am well aware that the bounty expires the first July of this year, but I think we have some information in the amount that is paid in the different provinces. I understand $200 was paid at Edmonton for the administration of this act, and if my information is correct, I do not believe that amount has been paid in bounties in Alberta. I doubt if one-fifth of that amount has been paid in bounties for some years in Alberta. I have the return for one of the years not long past, and I am doubtful if it amounts to $200.

Mr. LOW: My hon. friend is quite right, but we have to have an officer there. It is quite true that the amount that has been paid is very small.

Mr. FANSHER: What is the amount paid in Alberta?

Mr. LOW: The amounts are as follows.

1923-24	$ 30 35
1922-23	199 12
1921-22	614 16
1920-21	169 08
1919-20	1,378 42

Sir HENRY DRAYTON: The minister has not yet told us the number of claims which were made. The hon. member for East Lambton (Mr. Fansher) asked about that a moment or two ago. I should think the number of these claims would be in this department, not in the Department of Mines.

Mr. LOW: I did not know the hon. member for East Lambton had asked the question, but I knew the hon. member for West York had asked it before. We have not that, but we shall be glad to make out a list, although it will be quite a lengthy one, for the hon. member, showing the amount paid in bounty to each producer.

Sir HENRY DRAYTON: I do not want a long list like that. I want only the number. I want to find out if I can how this business is being run and the number of claims put in. Last year we knew exactly what the situation was, the number of wells, power plants and the like. Surely it is only reasonable that we should have this year the information which we had last year without having a lecture about it. A minister of the crown with his deputy beside him ought to know what the whole activity is in the year, and that is all I am asking. I do not want a lengthy list; I want a little clarity and a little common sense.

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. 10, respecting The London Mutual Fire Insurance Company of Canada and to change its name to "London Fire Insurance Company of Canada."—Mr. Hocken.

Bill No. 11, to incorporate Dominion Chartered Customs House Brokers Association.—Mr. McMaster.

Bill No. 12, respecting The Toronto, Hamilton and Buffalo Railway Company.—Mr. German.

Bill No. 13, respecting a patent of West Virginia Pulp and Paper Company.—Mr. Jacobs.

Bill No. 14, respecting a patent of Edgeworth Green.—Mr. Jacobs.

Bill No. 15, respecting a patent of Blair Engineering Company of Canada, Limited.—Mr. McMaster.

SUPPLY

TRADE AND COMMERCE

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

Mr. LOW: When the House rose at six o'clock the hon. member (Sir Henry Drayton) had asked for certain information in connection with the item under consideration, No. 355. I am securing that information for him and will try to have it inside of an hour. In the meantime we might pass on to some other item.

The Canada Grain Act, administration of, $1,100,000.

Mr. FORKE: Is it the intention of the government to introduce a bill based upon the report of the Turgeon commission? The discussion on this item and on that bill would perhaps be the same, and it would clear the air if we understood exactly what the intention was in regard to that report.

Mr. LOW: It is the intention of the government to introduce a bill based upon the recommendations made in that report.

Mr. SPENCER: Will that be a new grain act, to take the place of the old one?

Mr. LOW: Many of the clauses in the present Grain Act will appear in the new, but there will be many new features also in the act it is proposed to bring down.

Mr. SPENCER: When is it likely to be brought down?

[Sir Henry Drayton.]

Mr. LOW: The bill is in course of preparation. As soon as it is ready it will be presented to the House.

Sir HENRY DRAYTON: Does this item carry any of the elevator charges?

Mr. LOW: No, that is under another item.

Sir HENRY DRAYTON: This merely deals with the administration of the act itself?

Mr. LOW: Yes.

Sir HENRY DRAYTON: If it is the intention of the government to bring down a bill following the report of the Royal Grain Commission in its entirety I can quite see that we should be wasting time by discussing this item, the supposition being, of course, that hon. members have their minds made up either pro or con on these issues. But if the government does not intend to carry out all the recommendations of the report, hon. members should know it so that they may have an opportunity of offering to the government the reasons which, in their view, would be sufficient to justify the bringing down of a bill dealing with the whole question.

Mr. LOW: Whether or not all the recommendations made by the commission in their report will be embodied in the bill is a matter for the government to decide. It would be almost impossible to hope that all would be included. However, the whole matter will be considered by the government before the bill is presented to the House.

Sir HENRY DRAYTON: The west is very particularly concerned in this matter, and personally—and I think I speak for a very considerable interest in the east—I would hesitate to do anything which might in any way prejudice that case. On the other hand I am afraid the western members may find themselves in the position of having thrown away an opportunity of doing something to get the government, before it makes up its mind, to adopt such and such a course. And some gentlemen have not yet entirely abandoned the hope that the government will from time to time listen to reason.

Mr. LOW: I can only assure my hon. friend that ample opportunity will be given the House to discuss the bill. It will be a very simple matter to make recommendations or suggestions when the bill is brought down. Personally, expressing my own opinion, I would suggest that the bill be referred to a committee.

Mr. ARTHURS: What portion of this vote is for the inside service and what for the outside?

Mr. LOW: It covers the salaries of all officers, inspection and weighing, the expenses of the commission and the clerical staff.

Mr. BROWN: Those whom we in this section of the House represent are naturally very much interested in the bill to be brought down, and it is hoped that the bill will be considered on its merits without the government having committed itself too definitely to any proposal embodied in it. We would like to have the assurance of the government that the bill will be thrown into the House and that the best reason of the House will be brought to bear upon making it the best that can be made for the carrying on of the grain trade. Having in mind what took place this afternoon we do not want to have a repetition of a long discussion on estimates and a wandering away into a discussion that would all have to be gone over again when the bill was introduced. We want an opportunity for the fullest and freest discussion and we want to have the best judgment of the House, whether of government or of opposition, to secure the best bill possible.

Mr. LOW: I think I can assure the hon. member that that opportunity will be given.

Mr. ARTHURS: The minister hardly answered the question I put to him a moment ago, namely, as to the differentiation between the salaries in Ottawa and those outside under this item. His reply was that weighers and so on were included under this item, but I find an item immediately below for elevators and I understand that weighers would come under that item.

Mr. LOW: There are no salaries paid in Ottawa in connection with this item.

Mr. MILLAR: Can the minister give definite information when the bill will be brought down? There are many controversial matters in connection with it, and the bill will require considerable discussion before it gets through either committee or the House, and unless it is brought down early, it may not be finally put through before the session is over.

Mr. LOW: I think I can assure my hon. friend that the bill will not be long delayed. It will be brought down very shortly.

Mr. SPENCER: I understand that the administration of the Grain Act is met by the various charges on the grain trade. Have the charges made during this last year outweighed the cost of administration?

Mr. LOW: We anticipate there will be a surplus, but a reduced surplus from last year.

Mr. GOULD: Has the decision handed down by the Supreme court last year had any effect on the administration expenses of the Canada Grain Act?

Mr. LOW: No, not yet. The case is still in appeal.

Mr. SUTHERLAND: The words "administration of the act" would imply that this vote was confined almost entirely to paying officials' salaries, and so forth, but I find quite a number of items, for insurance, and other matters not connected with salaries. Would the minister explain just what administration of the act covers, because it is quite evident from the Auditor General's report that it covers a great deal more than salaries.

Mr. LOW: The vote covers all the expenditure for salaries of officials, permanent and temporary, and the contingencies of the various offices under the eastern and western divisions, salaries and contingencies of the Board of Grain Commissioners, and the salaries and expenses of the grain research laboratory, excepting the salary of the chief chemist.

Mr. GOULD: A few days ago I placed on the order paper a question respecting the grain testing laboratory at Winnipeg, and I would have liked very much to have had that question answered before this item came up. It might facilitate its passing if the minister could give me an answer to the questions at this time.

Mr. LOW: The answer to my hon. friend's question, which is No. 21 on to-day's order paper, is as follows:

1. Yes.
2. Dr. F. J. Birchard.
3. Answered by No. 1.
4. Changes in staff in 1922:

Herbert A. Watson re-employed as junior chemist at $160 per month from May 8, 1922, to October 1, 1922.

Andrew Cairns re-employed as junior chemist at $1,680 per annum, April 18, 1922. Resigned September 30, 1922.

S. M. Allman (R.S.) employed as a labourer at $4.50 per day from May, 1922.

Geo. McDonald employed as a labourer at $4.50 per day for 20 days during June and July, 1922.

W. Symes employed as a labourer at $4.50 per day during June, July and August, 1922.

Changes in staff in 1923:

S. M. Allman employed as junior cerealist from July 1, 1923 at $5 per day.

T. R. Aitken (O.A.S.) employed as junior chemist at $140 per month from September 20, 1923.

Andrew Cairns re-employed as assistant chemist at $175 per month from May 21, 1923. Resigned September 13, 1923.

H. F. Bill, junior chemist, at $1,800 per annum. Resigned March 3, 1923.

Herbert A. Watson re-employed as junior chemist at $160 per month from May 1, 1923. Resigned September 30, 1923.

George Ward employed as a labourer at $4.50 per day for 17 days in September, 1923.

Changes in staff in 1924:

The services of the following were dispensed with on March 31, 1924:

T. R. Aitken (O.A.S.), junior chemist at $140 per month.

S. M. Allman (R.S.) junior cerealist at $5 per day.

Miss A. C. Lamb, clerk-stenographer at $1,140 per annum.

Mrs Tate employed as stenographer for 30 days at $90 per month, to assist in preparation of report.

5. No.

6. Answered by No. 5.

Mr. SALES: In view of all the resignations read out by the minister, I would ask him how many officials are operating the laboratory at the present time.

Mr. LOW: Dr. Birchard is the only one in the laboratory at the present time.

Mr. SALES: That leads me to the further question, what is the policy of the minister in this connection? Research with a view to an improvement in the milling qualities of our grain is of very great importance to the farmers of this country. I should like to make a short quotation in this connection from the Canadian Milling and Grain Journal, which expresses this idea:

> There is little doubt that on the grain exchanges of the future, glutenin will play an important role; it will not be sufficient for a grade of wheat to bear a general good name for strength; each shipment will have to undergo its own test, and will be marketed on the basis of actual and not accredited strength.

I should like also to make a short quotation from the report of the Royal Grain Inquiry Commission. Dealing with this matter of research, the chairman states:

> We are impressed with the great need for research work to be carried on for the promotion of our grain growing and milling industries. The keeping up of the quality of wheat alone is of immense importance. Our excellent position in the better export markets of the world can be held only if we guard the quality of our grades. Commissioner Rutherford reported that in the Old Country extensive provision has been made for carrying on investigation and research in connection with wheats, flour and milling, with special attention given to the content and quality of gluten.
>
> When we were in the United States, we visited two well-equipped laboratories for carrying on investigations in respect to wheats and milling, viz.—at Minneapolis, where the state has a 125 barrel mill and other splendid facilities, and at Manhattan, Kansas, where the state has made excellent provision for carrying on investigations in respect to questions relating to wheats, milling, baking and flours.
>
> Canada is now in the position of being not only the largest exporter of wheat, but the largest exporter of the world's "best" hard wheat.

In the light of these facts it is very difficult for the people who are growing wheat to understand the attitude of the minister and of the government on this question. Here is Canada the largest exporter of wheat in the world, and all we are doing in grain research is being done in a little bit of a one-horse place somewhere down a back lane, with only one man carrying on research. I think that is a policy this government should be ashamed of, and especially in view of the following figures: I know the minister corrected me last year when I pointed out the revenue and expenditure in connection with the Grain Act, but I find that the figures this year are as follows: Revenue, $2,850,527.28; expenditure, $1,549,-681.00, leaving a balance of $1,300,846.28. In the face of what the department has obtained from the administration of the Grain Act in the shape of weighing and inspection charges, and so on, it is not too much to ask that we should have a little money spent in determining the milling value of the most important commodity in this country to-day. I would therefore ask the minister and the other members of the government—and I am glad to see the Prime Minister in his seat—to pay attention to this important matter and extend this research work. I know it has been stated that this work is not on a commercial basis, that it is only a matter of experiment. But why not follow the example of the United States, and we export more wheat than they do, and provide sufficient testing machinery to enable these experiments to be carried out on a commercial basis. I would ask the government to pay attention to this phase of the subject.

Mr. LOW: I quite agree with my hon. friend that this is a very important matter. I also agree with him as to the importance of the industry. We are, as the hon. member has said, probably the largest exporter of hard wheat, in the world. The government is studying at the present moment just how to continue the laboratory in the most effective and most efficient manner. The matter was referred to the Royal Grain Commission and when the new act is being prepared, due consideration will be given to the recommendations made in that connection by that body. Hon. members do not need to impress upon me the importance of the work carried on by the laboratory. It is a question of how the work can be carried on with the greatest efficiency, and at the same time render the greatest use to the farmers of the Canadian west. We have only one purpose in this connection and that is to have a laboratory which shall be efficient and effective regardless of whether it is operating under the Research Council or in conjunction with the Canada grain board.

Mr. MILLAR: The fact that this matter will come up for full discussion later on restrains me from saying very much at the present time, but seeing that the government is now making up its mind as to the legislation it will introduce, and that the recommendation of the Grain Inquiry Commission does not go far enough to satisfy very many of us or very many people throughout the country, I am moved to read extracts from at least two letters that I have in my possession. I may say that I have gathered, in connection with the resolution that I will move on this matter later in the session, a great deal of information from the United States, and from various laboratories and other sources in Canada. For the present I will content myself with reading extracts from two of these letters, and I should like the minister to take into consideration the facts there stated when he is deciding what legislation shall be brought down. One of these letters is from Minneapolis. I am not free to give the name of the official who wrote it but I can assure you that it is from a party who should know the facts. He says:

The premiums paid for wheat containing certain percentage of protein vary from time to time with the supply and demand as does the general level of prices. Speaking in a very general way, wheat containing 11 per cent of protein might be considered standard. If it contained 12 per cent protein, the one per cent additional protein might command 5 cents premium. If it contained 13 per cent protein, the 2 per cent additional protein above 11 might command 10 cents premium. For every one-tenth of one per cent of protein contained above 13 per cent an additional premium of one cent per bushel is generally paid; that is, wheat containing 16 per cent protein would command 30 cents premium over the 13 per cent protein.

I now read an extract from another letter received from the United States:

Laboratories to perform this service have been established by private concerns, boards of trade and in one instance by a state grain inspection department. Charges for making these tests range from 65 cents to $1. (In Kansas, Missouri, the laboratories can make 3,000 tests per day).

I wish hon. members to mark that statement because the time occupied in the making of the tests has been one great obstacle that has stood in the way of this reform which has been desired by our western farmers for, I think I may say, ten or twelve years at least. The extract continues:

In the Hard Red Winter and Hard Red Spring wheats, those containing less than 11 per cent protein usually bring the average daily market price for their numerical grades; for wheats containing above 11 per cent protein the premiums for each one-quarter per cent will range from one to two and one-half cents per bushel. The protein content is not shown on the inspection certificate but is shown on a separate certificate issued by the laboratory making the test.

I have also a letter from a farmer living in western Canada but I will just give the substance of it. He points out that the manager of the elevator in his town, a milling elevator and the only one in the place, draws samples not only from all the grain that he ships himself but from all the grain shipped from loading platforms and sends it forward to have protein tests made. That shows the extent to which the mills have carried on this work. They are selecting the strong grains from all over the west and they are making tests, and are taking off the cream in that way, and the farmer feels that with such premiums which I have referred to as prevailing in the States he should at least get a premium of perhaps one-half the amount the American farmers are receiving, perhaps two-thirds, but anyway a considerable premium. He does not see any reason why this premium should continue to go to the mills and the middle men and be lost entirely to himself. I assure the minister there is a very strong demand in the direction indicated, and it has been in existence for years. I could read from a report prepared by the officials of the Manitoba Grain Growers' Association showing that one of their demands presented to the Grain Inquiry Commission was that a laboratory such as has been referred to should be maintained.

Mr. ROSS (Kingston): Does the farmer get any premium?

Mr. MILLAR: No. Perhaps I might explain that there has been a system of diversion of good grades of wheat and a premium is sometimes paid to the middleman of one cent a bushel. I believe that is supposed to be passed back to the producer, but I think that is done only in one case in a thousand; I do not know that I ever knew a farmer that received it. Consequently the answer I gave my hon. friend on that point is quite correct—the farmer never receives it. I think this subject will come up for discussion when the matter is taken up later, therefore I will not indulge in any further remarks.

Mr. ROSS (Kingston): Can the minister give any reason why there have been these resignations? Was it due to salary or some such cause?

Mr. LOW: It was decided to discontinue the laboratory in its present form and the services of these people were dispensed with.

Mr. ROSS (Kingston): It was not a matter of resignation then but a change of policy?

Mr. LOW: A change of policy.

Sir HENRY DRAYTON: Dismissals.

Mr. GOULD: The minister replied, I think, to the hon. member for Saltcoats (Mr. Sales) when he asked a question about the report. I also put a question. I asked:

Has any report of the work of the laboratory been submitted by Dr. Birchard during the years 1922, 1923 and 1924?

The reply was no. It seems to me the minister should state that both he and the government are seized of the importance of this work at Winnipeg; and yet no report has been received from the gentleman in charge of the laboratory. That is a curious coincidence, and I rise to ask if the department or the minister has asked for a report from Dr. Birchard.

Mr. LOW: That is one of the very reasons we decided to discontinue the laboratory under its present staff. There has been no report submitted to the department. A partial report was sent in I believe some seven years ago, and Dr. Birchard never completed that report. He was asked to send in a complete report, and that is one of the reasons why, under Dr. Birchard, we thought the laboratory was not as efficient as we would like it to be.

Mr. GARLAND (Bow River): Did the government or the department ever ask Dr. Birchard for a report? Did they ever request an annual report?

Mr. LOW: Yes.

Mr. LOVIE: Did Dr. Birchard present a report before the Turgeon commission? I would like to submit to this House a letter which I received from a farmer who is largely interested in this matter. It is outside information. The letter reads as follows:

I would like to draw your attention to the attempt by the Department of Trade and Commerce under Mr. Low to close up our grain testing laboratory at Winnipeg.

I am aware of the Progressive's stand last spring, which prevented at the time the definite closing up. But in spite of this the fact is the place is occupied by Dr. Birchard alone. Has no staff at all. Has all been taken away. He is carrying on alone and still working. But what can one man do alone in a place like that. The effect so far as the country is concerned is that the place is practically closed now.

At the time of the closing order there was a large amount of very valuable research work nearly completed. Work that would have been of inestimable value to us western farmers (and the country too) in proving the values of lower grades of wheat which are always so much discriminated against.

It seems that there was some effort being made at Ottawa, to close up the Winnipeg office prior to the Grain Inquiry Commission under Mr. Turgeon. But it seems to me that after Mr. Birchard gave that splendid constructive evidence re the milling values of the lower grades that Mr. Low could not stand having the like of that coming from a civil servant. Anyway Mr. Birchard got the millers properly worked up so that practically all their efforts were confined to defeat what had been given out. I am led to believe that Mr. Birchard was prevented by some means from giving the court the conclusive evidence he had on file. Here is where the west lost out. This data is still in existence. It belongs to the western farmers and should be made available.

I think all the results from this kind of research work should be available to the public in some form of report. If the west had the facts that the Dominion grain research laboratory at Winnipeg has on file there would not be the spreads we always have in the lower grades.

There is another thing perhaps not bearing all in line with this matter. There seems to be some way in which the choicer cars in each grade are being picked up before export for our Canadian mills. In this way I maintain the price of all the grades are lowered. Because it is a lower grade average being exported. The export market makes the price basis. So you will see if the choice lots are taken the average must have been lowered. And it is this lower average grade the ultimate export market buys and pays for on a world market value basis. The farmer loses.

As long as the Canadian mills can get all choice lots they need one could expect them to want lower grade stuff which may be a little more trouble to blend. Besides our mills using nothing but the choice grain, can export a flour in demand for blending. The farmer loses again because he was paid on the export price basis of the average (culled over) export grade.

I venture Mr. Low knows all this being a miller himself. And it would be a great thing to be able to close Mr. Birchard's mouth forever.

I am afraid unless we watch carefully the knife will be applied to our splendid grain testing laboratory at the first opportunity. I understand the minister's plea is economy. A convenient one. But far from the truth. The farmers need that office to work at full blast and unbridled as an economy.

Perhaps if the department could not find funds otherwise they should sell one of those tied-up ships they can find no use for and in that way keep this office open. And thus practice economy before it rots out and half the farmers are out of business as well.

I am sorry to say but I believe it to be the fact that there is only a small percentage of farmers know anything about a grain testing laboratory at all, let alone our grain testing laboratory at Winnipeg. If the farmers only understood what they have a chance of losing there would be such a howl go forth that Ottawa would never dare think of closing it.

Mr. Lovie, I would like to have you get in touch with Mr. Crerar and any other members you can rely on interested in this matter. Perhaps you could pay a visit to the laboratory and get valuable facts to work on. So that we may not only prevent the closing going into effect but that sufficient pressure can be made so an efficient staff of help may be given Dr. Birchard to carry on with efficiency.

I can assure you if he had not been a real man Ottawa would not have been alarmed at all. Apparently what they would like would be a "ninny" in charge that would do as bid without question. Possibly then money could be squandered to "satisfy" the "clamouring west."

This is a vital matter for us farmers and I feel sure you will lend a hand and real good will come of it.

If the minister wants the name of the writer of this letter I will give it in private, but I do not want it spread broadcast. The letter expresses the feeling in the west of those who know the work of Dr. Birchard, and there is a feeling among them that

money should be spent to keep that laboratory in a state of efficiency.

Mr. LOW: I cannot add to what I have already said. I fully realize the importance of the laboratory, and it is the intention of the government to continue a laboratory in some form. Whether it will be in the present form or under the Research Council, or connected more closely with the Canada Grain Act, is a matter to be decided upon. It is my intention when the new Canada Grain Act is brought in to have it referred to the committee on Agriculture, and there will then be ample opportunity for members of this House to make any representations that they wish to that committee.

After consulting my deputy, I wish to correct a statement I made a few minutes ago. Dr. Birchard did send in a special report to me last fall. That is the first report in several years, and it was sent in after the fact had been repeatedly brought to his attention, that his reports had not been sent in for some years. That report has been referred to Dr. Tory of the Research Council, and will be brought before the committee when the new grain bill is being considered.

Mr. GOULD: The statement the hon. minister has now made is an acknowledgment that the replies to numbers 5 and 6 of my questions on the order paper to-day are incorrect. I distinctly asked about reports being sent in and asked if they were available to hon. members. The answer was no in both cases. That will appear in Hansard.

Mr. LOW: It is not on Hansard yet.

Mr. GOULD: Yes, the questions and answers have been sent up to Hansard, and there is a grave error in the answers. I had the pleasure of listening to Dr. Birchard myself as he gave evidence before the Royal Grain Commission in the city of Winnipeg in the latter part of February of last year, and I was very much interested in his evidence, particularly in his description of what might constitute the different grades which they called the contract grades Nos. 1, 2 and 3, northern wheat. If hon. members will take up Dr. Birchard's statement and compare it with the Canada Grain Act as it is at the present time, people would understand the difference between the Canada Grain Act and the evidence submitted by Dr. Birchard. It would cause almost a revolution in western Canada. When Dr. Birchard said that wheat having a basis of 60 per cent of hard or marquis wheat with a mixture of some frozen or shrunken or other wheat, might be admitted as No. 1 northern, and that similar proportions of high grade grain could be mixed and still maintain their grades as No. 2 and 3 northern, I was surprised but Dr. Birchard established it, I understand, from scientific tests. But the Canada Grain Act is not based upon that. After I went to my hotel, I was visited by two lawyers who were working for the grain companies there, and they asked me if I would issue a statement for the press at that time denying the possibility of Dr. Birchard's statement being true. I told them that I was not a professional man and that I had more sympathy with Dr. Birchard than I had with the Canada Grain Act. But such is the interest of the people who are making a living out of our wheat—

An hon. MEMBER: Who were these people?

Mr. GOULD: These were two lawyers working in the interest of grain companies, without giving names. They visited me at the hotel and asked me to contradict the evidence given by Dr. Birchard.

Mr. GOOD: Did they want you to falsify what you had heard?

Mr. GOULD: To say that I did not believe the statement Dr. Birchard had made. That is the manner in which they endeavour to become a law unto themselves, in order to hide the evidence, to hide the truth. It is because of these things that people in this country, particularly in the west, are dissatisfied with the Canada Grain Act. I hope, as the minister has said, that this time we shall have a grain act that will be just and equitable to the people who are producing the grain. Tens of thousands of farmers would have gone before that grain commission if there had not been such an array of legal counsel who, they felt, would abuse them when they were there. Men who were sincere, who knew their side of the business, would have presented themselves before the commission, but the idea of subjecting themselves to cross-examination by the array of legal talent that was present intimidated them. Consequently, I am here to state that the amount of evidence given before the commission is not a fair criterion of the feeling that exists among the people pertaining to these important questions. I hope, when the act is framed, we shall have ample opportunity to make suggestions and that our requests will be acceded to in the Canada Grain Act.

Mr. MILLAR: We have, I suppose, the assurance of the minister that the valuable

information that is now in the laboratory at Winnipeg in connection with experiments that have been carried on for some years and that are only partly completed, will be preserved so that it can be made use of.

Let me also say a word in regard to the reports. Some of those experiments require years to complete, for instance the experiments that are being carried on, I believe, at the present time in Canada and the United States to discover the exact amount of moisture that oats may contain and yet be safe for storage. It requires years to complete that test, so that I do not think Dr. Birchard should be readily condemned because he has not handed in many reports. You can understand that climatic conditions in certain years are such that they cannot get the oats to experiment on, and then they must have certain climatic conditions when the oats are stored. Oats that might be all right in a cool season might be all wrong in a very warm season, so that it requires years to complete such a test as this and there may be others that will take equally long.

9. p.m.

Mr. ROBB: My recollection is that one of the troubles we had with Dr. Birchard was that he never would complete his work. We never could bring him up to a conclusion. With all due respect for my hon. friend's observation that it requires a long time to complete these experiments, I know from practical experience that we send samples to, I think it is Howard at Minneapolis, who does this work, and get a reply within ten days, or we can send them to the college at Guelph and get a reply within a week.

Mr. MILLAR: The minister has, I think, missed my point. They can tell you in ten days or less how much moisture is in a sample of oats or wheat; but in an experiment that has been carried on over years, they have proved that a small additional percentage of moisture in wheat makes it still perfectly safe. A small additional amount of moisture, even one-quarter of one per cent means a good deal. It means, in some years, that dozens of carloads of wheat may be shipped down there and go through straight whereas formerly they would not. That means a good deal. Experiments of that nature are going on, and I believe they are unfinished with regard to oats, both in the United States and in Canada.

Mr. GOOD: Did I understand the minister to say that the department had asked Dr. Birchard for a report and that it had not been furnished by him?

[Mr. Millar.]

Mr. ROBB: I remember very distinctly, during the period when I was in that department, having sent for Dr. Birchard to try to get something closed up with him, but we never could get the work concluded. I think there were partial reports. I am speaking from memory as it is a couple of years ago.

Mr. GOOD: Did Dr. Birchard state that these reports were in such a condition that they were not suitable for publication?

Mr. ROBB: I do not recollect that.

Mr. LOW: I should like to read a few words for the benefit of my hon. friend:

> In this connection it may be said that a portion of this report was forwarded to the King's Printer in July, 1920, as material for Dominion Grain Research Laboratory Bulletin No. 2. This was all set up at the Printing Bureau and the proof sent to Dr. Birchard to read. For some months thereafter, we did not hear from him, and when Mr. O'Hara wrote to him he got no satisfaction, other than the statement that the report would be completed shortly. Finally, on Ocober 4, 1921, by order of the King's Printer, the type was re-distributed and the printing matter returned to Dr. Birchard. This report was never completed.

After part of it had been set up in type for about a year.

Mr. MILNE: Is it the custom of the government in departments which they consider are of such importance as this laboratory is, to retain men, year after year, without receiving reports from them? Is it the custom of the government to retain servants who are as inefficient as this report would lead us to believe?

Mr. LOW: I have no doubt that he may have been making routine reports to the chief inspector at Winnipeg, but I have just read a clause in connection with this report to substantiate what the ex-Minister of Trade and Commerce (Mr. Robb) has said about our endeavour to get reports from Dr. Birchard.

Mr. MILNE: The department surely cannot consider this office of any importance or they would not stand for a minute for this sort of procedure.

Mr. LOW: Ministers are sometimes very considerate.

Mr. SALES: After listening to the minister's explanations, I am almost inclined to think he used the wrong term when he spoke of resignations. I think he should have said "dismissals." In spite of what the minister says of the importance of the subject, it appears that the policy is to disregard this office. If Dr. Birchard is not the right man in the right place, why not get someone that

is, and make it a real office? Why put up with a man who does not report and is not satisfactory? And why not spend some of this surplus money? I want to know again from the minister whether my calculations are correct as to the revenue and expenditures of the administration of the Canada Grain Act, because I have a balance of $1,300,000 according to what I can find from the Auditor General's report, and the laboratory costs are included in this figure. I am sure that the minister and the government would do well to put into operation a really effective laboratory so that the tests there made can be relied upon by practical men for commercial purposes. Will the minister kindly tell me what the revenue and expenses are this year under the Canada Grain Act so I may not have the wrong figures again?

Mr. LOW: Answering my hon. friend's first question, I fully agree with him that if Dr. Birchard is not the right man a more satisfactory substitute should be secured, and that we should not economize on the laboratory. I am fully seized of the importance of the work of this office. After we have amended the Grain Act I think hon. members on the other side of the House will have reached the conclusion that we are not trying to save a few dollars, but are simply striving to secure the greatest efficiency in the laboratory. No one in this House is more impressed than I with the importance of the great industry of grain growing in the west. But there is no justification for wasting money. We merely closed the office pending the report of the Royal Grain Commission. Upon that report we propose to act, and to establish a laboratory in Winnipeg that will be close to the point of inspection and of greater benefit than ever before to the grain growers of the west.

Mr. SALES: Is the amount included in the estimates?

Mr. LOW: The amount is included in this $1,100,000.

Mr. SALES: But how much for laboratory purposes?

Mr. LOW: That will be decided upon after we have dealt with the report of the Royal Grain Commission. I have an open mind upon the question. Whether $50,000 or $100,000 is required, if the expenditure is going to benefit the farmers of the west, they will find me, as Minister of Trade and Commerce, fully in accord with it.

Mr. SALES: Now, the receipts and expenses?

Mr. LOW: The surplus in connection with the administration of the Grain Act for the fiscal year ending March 31, 1924, is $528,559.74; for the ten months ending January 31, 1925, $172,246.11. I pointed out to my hon. friend last year that these elevators are all built out of current expenditure, and that no charge is debited against the revenue for interest on the amounts so invested. But over the actual operating expenses there is a surplus, as I said before, of some $528,000.

Mr. SALES: Why cannot we get this information from the Auditor General's report? I think I can understand figures. Has the hon. minister included in this charge the interest on the elevators, and is this $528,000 the balance remaining after interest has been paid?

Mr. LOW: Of course, the cost of operation and maintenance of the Canadian government elevators comes under another item, but so far as the Grain Act is concerned the figure I gave the hon. member is correct—$528,559.74 for the fiscal year ending March 31, 1924.

Mr. SALES: I do not want to be unduly critical, but I should like to understand where I am at. I find the Canadian government elevators on page 18 ZZ of the Auditor General's report.

Mr. LOW: We have not reached the government elevators yet; they are under another item.

Mr. SALES: Yes; but there maintenance is included in the $1,549,681 of expenses. At page 39 ZZ are Canadian government elevators, maintenance at Vancouver, Saskatoon, Port Arthur, Moose Jaw, Calgary—these are all included in the $1,549,681. Then when I turn to the revenue I find the figure is $2,850,527.28. I cannot understand how the minister arrives at his balance.

Mr. LOW: What year?

Mr. SALES: I find my figures in the Auditor General's report for the fiscal year ending March 31, 1924. I got my figures from the same source last year, and the hon. minister then corrected me; he has corrected me again to-night. I want to know what is added to this expenditure which leaves only a balance of $528,000.

Mr. LOW: I am quoting the figures for the Canada Grain Act alone. For the government elevators these are the surpluses: For the year ending 1922-23, $437,063.65; for 1923-24, $241,730.25. I have the figures for the previous years if my hon. friend would like to have them.

Mr. SALES: So the apparent difference in the figures is because the profits derived from the internal elevators are not counted under the administration of the Grain Act?

Mr. LOW: No.

Mr. SALES: I see.

Mr. LOW: The combined surpluses total $770,309.

Mr. STEWART (Humboldt): I am glad to notice that the minister has apparently had a change of heart in the matter of this research work.

Mr. LOW: Allow me to correct my hon. friend; I have had no change of heart at all.

Mr. STEWART (Humboldt): I hope he has had a change of heart, considering the impression he left upon us in this part of the House last year.

Mr. LOW: I do not know what impression I left.

Mr. STEWART (Humboldt): The impression he left upon hon. members in this part of the House, from the attitude he adopted toward the continuance of the laboratory in Winnipeg, indicated to us that the policy was to close it, and the policy that has been carried out since then, that of almost closing it, lent colour to that impression. I say I am glad if he has changed his attitude, or if he has not the attitude we supposed he had. I do not want to repeat the arguments that have been made here to-night as to the importance not only of continuing but of adequately enlarging that laboratory for the proper carrying on of experiments in research work. I want to give one concrete example of the possible value in dollars and cents of that kind of work to the grain growers of western Canada. A farmer in my constituency took two samples of the grain from his crop of the year before last, the appearance of which led him to believe that that grain varied in quality. He sent the two samples to the inspection department at Winnipeg and they both graded exactly alike, No. 3 northern. When he shipped his main crop, two carloads, one of each kind, the sample test proved correct; it was graded by the inspection department as No. 3 throughout. Shortly afterwards he was visiting in Minneapolis and he took two 5-pound samples of each of the grains that he considered to be different in quality, both of which had graded the same in Winnipeg,—No. 3 northern. He approached a grain firm in Minneapolis and submitted the samples, and one of the samples was graded as No. 1 dark northern spring. The other, they said, was worth a premium on account of its protein content. By the way, I questioned him with regard to this test and he said it was almost a matter of minutes—a matter of hours, at the outside—because it was all done one afternoon. For this second sample, which had been graded in Winnipeg as No. 3, they made him an offer of 26 cents a bushel for carload lots delivered on the market in Minneapolis. To prove that the two 5-pound samples graded the same in Winnipeg he took them back to Winnipeg on his return and again submitted them to the inspection department there, and again they were graded No. 3 northern, both exactly the same. It is such knowledge as that, gained from practical experience, that has led the farmers of western Canada to believe that there is a better system of grading than that which we have had for many years past. And if there is a better system of grading it is apparent to us that it has to come through testing. Not that grading can be improved on the basis of the mere looks of the grain; the outward appearance is often deceiving. It is only by proper testing that the real value of grain can be determined. I maintain that a lead should be taken by the department along this line. The argument has been presented here to-night, and I think effectively, that the farmers are paying for that service and that they deserve the best service it is possible to give. I appeal to the minister therefore, not to close the laboratory at Winnipeg or even to keep it practically closed, as at present, letting a whole season pass by without any particular benefit accruing from it. I would urge upon the minister that it should be put into full operation at the earliest possible moment.

Mr. GOOD: The minister's practice scarcely tallies with his professions in regard to this work. Here we have practically nothing done for four years, yet it is work that means millions of dollars to the farmers. We have got the impression that the policy of the department is to leave the farmers at the mercy of the millers and the grain men.

Mr. LOW: I assure my hon. friend that if he has that impression, such is not my intention. I assure him also that the farmers have in the minister a friend who will do everything in his power to see that they get justice. I have listened to the discussion with considerable interest, having some little knowledge of milling. It is not an uncommon thing for us to receive at our mill a carload of No. 1 northern wheat which perhaps at another season of the year would

not grade even as No. 2. Very often there is a great difference in the cars as they come in; whether or not that is at the mixing elevators I am not prepared to say. But we find a great difference at times in the No. 1 and the No. 2 wheat. Sometimes we will get cars of No. 2 that mill just about as well as No. 1. Speaking about the grades, my hon. friend knows, I suppose, that the grades of No. 1, No. 2 and No. 3 are fixed by act of parliament, and if any change is to be made—

Mr. STEWART (Humboldt): So far as the protein content, the real value of the grain, is concerned, the regulations of parliament have very little to do with it.

Mr. MOTHERWELL: The percentage of protein content does not determine the value of the wheat for flour. It determines the quantity of protein but says nothing regarding its quality, which is the important thing. In the case of the low grade wheat such as we have this year the protein content in a No. 6 grade might be just as high as in a No. 1, but the point is that the quality of the protein is not there.

Mr. COOTE: I would like to say just a word or two in appreciation of the service that Dr. Birchard has rendered to the farmers of this country, and to point out the service that he might have rendered had he been given support by the department. I do not know that there is a great deal to be gained by any criticism at this time, but, putting it mildly, it was pure waste of money to keep Dr. Birchard in his office for the last six or eight months without an assistant even to wash his dishes. When a man like Dr. Birchard, who has taken a high degree in chemistry, is placed in an office of this kind without an assistant it seems rather absurd for the minister to come and say afterwards that he has a great interest in this work. When I was on my way to Ottawa this year I came by way of Minneapolis and Chicago in an endeavour to get some information in regard to the grading of grain in the United States. One of the officials of the grain grading department there told me that in his opinion Dr. Birchard was a very valuable official; that he had met him several times, and that this country would lose a very valuable man if Dr. Birchard were not retained in his present position. I feel that all that Dr. Birchard needs to be a very valuable official for this country is some efficient backing up by the department. Dr. Birchard's services have never been properly made use of. Our grain standards board when it met in the fall should have called in Dr. Birchard and asked him to give evidence regarding the baking qualities of our wheat in each of these years. I am sure that Dr. Birchard was making these tests, but I have been told that he was never called before that board. Now why do we keep Dr. Birchard in that position unless it is to determine the baking values of the different grades of wheat, and when the grain standards board is meeting to fix a standard for the year, surely if Dr. Birchard's services are to be made use of at any time, it should be when that board meets.

I am quite ready to agree with the Minister of Agriculture that the protein test in itself is not possibly a true indication of the baking values of wheat, but it is some indication, for to have a good strong milling wheat you must have good protein content and good gluten quality. When I was in Minneapolis on the floor of the chamber of commerce I saw the representative of a large milling firm offer a premium of 32 cents for a car of wheat from Montana that tested 13.40 protein. Another sample for which he offered just the bare market price of $1.97 per bushel tested 10.40.

I have here a letter from an official in the grain grading department of the United States giving the protein test of Nos. 1, 2 and 3 Manitoba northern wheat, samples I had secured from Mr. Serls, chief inspector. No. 1 tested 13.84; No. 2, 13.76; and No. 3, 13.76 protein. I am sure that these wheats are just as valuable for the making of flour as this Montana wheat, possibly more so, because you will note that the poorest of them tested .36 above the Montana wheat. The same official told me that he had graded samples of our different grades of wheat, Nos. 1, 2 and 3 northern, this year, and that they would all grade No. 1 hard spring or better in the United States, that is, according to their grades. That would seem to prove that our No. 3 Manitoba northern had an equal milling value with this No. 1 hard spring Montana wheat that sold at a premium of 32 cents on the Minneapolis market.

I think the United States system of grading wheat is very much superior to ours. Their grades are very clearly defined so that even the farmer is never very much in doubt as to the grade of his wheat. On the other hand, under the Canada Grain Act, it is practically left to the discretion of the inspector as to what grade he shall fix. I am convinced that the policy of our Trade and Commerce department in the past has been to consider that whatever the head inspector said about the

wheat was final; there was no appeal from his judgment.

Mr. MOTHERWELL: There is a survey board.

Mr. COOTE: There is, but if the Minister of Agriculture would look up the Canada Grain Act and see how the survey board is appointed, I do not think he would argue that that board has very much reason to change any of the grades the inspector has set.

Mr. MOTHERWELL: The hon. gentleman is quite wrong. Some members of the board are appointed by the ministers of agriculture of the provinces.

Mr. COOTE: While we are on that point it might be pertinent to ask why the board of grain appeal was never appointed. Section 102 of the Canada Grain Act provides:

> There shall be a board to be known as the board of grain appeal, to consist of three members who must be expert and experienced in the inspection of grain, to be appointed by the Governor in Council.

I asked the chief inspector in Winnipeg this year who were the members of this board, and if I understood him correctly he said that such a board had never been appointed; so that I believe the chief grain inspector at Winnipeg is the keystone of this whole system, and if his eyesight changes a little bit from one year to another the grading of our wheat is going to change to just that extent.

To come back to the question of a grain survey board, the survey board which we have at Calgary is provided for in subsection 2 of section 104 of the act:

> The said survey board shall consist of eight persons, six to be nominated by the board of trade of the city of Calgary—

I would like to know just why the board of trade of Calgary should nominate six members of the grain survey board. Whose grain are they surveying anyway? The clause goes on:

> —and one each by the provinces of Saskatchewan and Alberta respectively.

I am quite satisfied that up to this present season, 1924, there have been eight grain men on the survey board of Calgary, and at times I think there have been members of that board who belonged to milling firms in Calgary. Now in the grading of wheat there is always a conflict of interest between the miller on the one hand, and the farmer on the other, and the inspector is going to be influenced or at least pressure is going to be brought to bear upon him from both sides. I would like the committee to remember that the millers are living in the same city with this inspector, and very often working in the same office building with him, while the farmer on the other hand is on the average five hundred miles away from that inspector, and only one out of every five hundred farmers ever gets to the inspector to make a kick. That inspector is likely to be influenced by the millers probably unconsciously and if he is not influenced by the millers he is likely to be influenced by the work of this survey board. If he grades the wheat a little too high and the survey board cut his grades down, on a few cars he will soon grade the wheat just the way the board thinks it should be graded; I do not think there is any question about that.

If suggestions are to be received here to-night regarding the new Canada Grain Act I would say that if similar survey boards are to be appointed under the new act they certainly should not be appointed by the boards of trade of the different cities; but the wheat producers should have the opportunity of recommending for appointment at least a majority of the survey board.

There are many other points in which the present act is faulty and out of date, but I do not wish to go into them all at the present time. I should like, however, to refer before I forget to a few other things I learned on my trip to the United States. I found that in Minneapolis they have a state testing mill, a mill owned by the state for the purpose of testing wheat for its milling and baking qualities. They test wheat and manufacture flour there in commercial quantities. They also issue a report on each year's crop and they preserve all the data. All these statistics are gathered from year to year and preserved, and this work has been of great assistance, to the farmers in the United States. It has been, I think, largely owing to it that the farmers there are getting a premium, as high as 50 cents a bushel in some cases, for wheat shown by test to have a high protein content. In western Canada the mills are picking out the cars of wheat that they know will grade high in protein and gluten content. They are picking out all these cars and letting the rest go through to Fort William. As one hon. member said here to-night they are getting the pick of this wheat, and there is no doubt they have in that way an advantage over every other miller in the world. This was pointed out to me very clearly by an English miller whom I met in Calgary in the summer of 1923 when the Royal Grain Commission was sitting there. He said "These mills have the advantage of us, they can pick out the

best wheat and mill it. They buy it on the street market and buy it just as cheaply as we do. Not only that but when the wheat gets to Fort William it is put through mixing houses and the grade that comes out is mostly what can be called "line grade," that is it is down to the very lowest possible line under which it can get into that grade.

I may say that when I was in the office of the grain inspector in Calgary this fall I asked him to test for weight a sample of No. 2 wheat which he had received from Mr. Serls for his guidance in the grading of our wheat. It tested 62 pounds to the bushel. I asked him then to test the average No. 2 wheat that he had in his office. It tested 65 pounds to the bushel. That may give hon. members some idea of the difference between the average grade and the line grade.

Mr. LOW: Did I understand my hon. friend to say that the average No. 2 grade tested 65 pounds to the bushel?

Mr. COOTE: Yes. The minister shakes his head as though he was a little hard to convince.

Mr. LOW: I am not convinced that it went 65 pounds to the bushel.

Mr. COOTE: I have here a letter from Mr. George Hill, the minister's inspector at Calgary. I asked Mr. Hill to send me some samples of each grade of wheat to Ottawa. I have these samples now in my room in this building and I would be glad to exhibit them to the committee. I got them for that purpose. Mr. Hill was good enough to give me the weight per bushel of the different grades that he sent here, having tested these samples before he sent them. No. 1, he says, tests 65 pounds to the bushel; No. 2, 64 pounds; No. 3, 63 pounds; No. 4, 62 pounds; No. 5, 62 pounds; No. 6, 59 pounds. He adds:

> Although the 5 and 6 are badly frozen you will observe they are heavy in weight. Surely there must be some quality where you get so much weight.

I do not like to be always holding up Alberta at too high a level in connection with Manitoba wheat, but I am sure there is a big difference between the wheat that is grown in the western half of the prairies, and what is now grown in the older province of Manitoba.

Mr. MOTHERWELL: Then why call it Manitoba hard?

Mr. COOTE: That is what I say. Why call Alberta and Saskatchewan wheat Manitoba wheat? The statement was made to me by an official who has been in the service of the inspection department for many years that, "for the last twenty years there has been premium wheat coming out of southern Alberta and you have never got any premium for it." He also said, "If you had had a different grade for your southern Alberta wheat there is no doubt in my mind you would have had premium for it ever since you started to raise it. You have virgin land and that wheat is heavier to the bushel." Surely when wheat weighs 65 pounds to the bushel it should be graded in such a manner that the grower can get some premium—he should get the premium which that heavy wheat really ought to command.

I have taken up quite a lot of the time of the committee, but I should like to continue a few minutes longer, because this is a very important subject to the farmer in Alberta. This year we have had more complaints about the grading of the wheat than I have heard in all my experience. The grading got so bad that we held an indignation meeting of farmers in my own town, and we despatched a wire to the Minister of Trade and Commerce on the matter. I am glad to say that the minister took action on receipt of that telegram, or very soon afterwards. He took the matter up with the Board of Grain Commissioners, and they sent one of their members out to Calgary to see what all the trouble was about. The reason for our complaint was that wheat which graded No. 1 last year would only grade No. 2 this year, and wheat that graded No. 2 last year, I mean in 1923, and was held over until 1924 would only grade No. 3. We had several bona fide cases of that nature, and that convinced us there was something radically wrong. Accordingly a small committee went to the office of Mr. Hill in Calgary and examined his grain standards. He had standards there for all grades from No. 1 down to No. 6. We compared those standards with the standards which he had for each grade for 1923, which were still preserved in his office, and in our opinion the standards which he had in 1924 were about a grade higher than they were in 1923. We sent a wire to the minister to that effect as I have already stated. Commissioner Snow came to Calgary and held a meeting. He allowed the farmers to go there and present their complaints, but it seemed very hard to convince him that there was anything wrong. He seemed to have the view that if George Serls and George Hill said that this wheat was No. 1 or No. 2 that settled it. He finally brought Mr. Hill over to the meeting, and we found out then that one of the reasons our wheat was grading so low this year was there were some green kernels in it, and he

said the millers objected to these green kernels. That, as near as I can remember, was what transpired.

Mr. PUTNAM: What was the cause of the green kernels; was the wheat harvested too soon?

Mr. COOTE: Some of the wheat was of later growth, and when the wheat was cut it was immature; when it hardened, it was green in colour. When I pressed both Mr. Hill and Mr. Snow to state just how many green kernels there might be in the sample he graded No. 2, they could not or would not say. Then I asked them what percentage of green kernels would be allowed in wheat that was otherwise good to grade No. 3, and they could not tell me. "Well," I said, "would you allow 5 per cent?" and they would not say. I said, "Would you allow 2 per cent?" and I could not get any statement from them in regard to that. We must in the new grain act define the grades specifically, in definite language, so that there can be very little question as to what the grade of the wheat is.

Mr. LOW: My hon. friend will have an opportunity of presenting all these facts to the committee on Agriculture when the bill is before that committee, and while I do not wish to interrupt his remarks, he will have to repeat his arguments again before the committee, and perhaps it would be just as well if he could see his way clear to refrain from discussing the grade until the matter is before the committee.

Mr. COOTE: I will very soon refrain, but some of these things must be aired a little bit, or else there will be some sort of an explosion.

Mr. SHAW: Do I understand from the hon. gentleman's remarks that he is suggesting that Mr. George Hill or Mr. Serls are not competent for their particular work?

Mr. COOTE: No I would not even insinuate that they are not. The fault is chiefly in the Grain Act. The act leaves it practically to the judgment of some gentleman in Winnipeg to say what is No. 1 wheat, what is No. 2 wheat and what is No. 3 wheat. According to the Canada Grain Act almost anything could be graded No. 3.

Mr. LOW: If we do not leave it to the chief inspector, to decide the grade of the grain, to whom does the hon. member suggest we should leave it?

[Mr. Coote.]

Mr. COOTE: Even under the present act I think it should be left to this grain appeal board, which has never been appointed.

Mr. LOW: Would the hon. member call the appeal board together to examine every sample sent in? The appeal board in that case would require to have somebody examine and grade the cars as they came in.

Mr. COOTE: If we had a grain appeal board, I do not think they would make a standard for one year about a grade higher than it was the year before. Commissioner Snow was very hard to convince. He said that Mr. Hill and Mr. Serls knew more about grading grain than he did, and I guess he was right, but after we had persuaded Mr. Snow to go down to the office of the grain inspector and examine the standards for himself he did admit that in his opinion there was about a grade difference. Why should there be about a grade difference between the standard of No. 2 wheat this year and the standard of No. 2 last year?

An hon. MEMBER: Who did that?

Mr. COOTE: Commissioner Snow admitted it in the office of the grain inspector in Calgary. He could not do anything else, if he would tell the truth and if he had eyes to see. There was no question about it. One of the officials of the Calgary Grain Exchange admitted it. He did not know what it had been graded, but he was asked what difference there was in those samples, and he said there was a grade difference, and I think almost every man who examined those standards had to admit there was a grade difference. What I want to impress upon the committee is that we must define these grades in specific language. There is no question about that.

I wish to refer to another matter, the testing of our wheat for moisture. The way this has been carried on in the past has worked a very great hardship on some of the farmers. I saw a certificate for one car that had been graded No. 3 tough at Edmonton; it went on to Winnipeg and apparently they did not know it had been graded, and it was graded 3 straight there. Hon. members will know what it would have cost that man if he had not got a new grade on that car at Winnipeg. He would have lost the difference between tough and straight wheat which would have been anything from eight to twelve cents a bushel. If the testing apparatus we have in our grain inspection office to-day is not very carefully handled, it may show either too much moisture or too little moisture; it may show more than there is in the grain. If the heat is left on

too long you will see a bigger percentage of moisture than actually exists in the grain, because when it gets too hot the grain starts to decompose and that forms moisture. The moisture content for wheat, so far as I understand it, is not fixed in the Canada Grain Act; it is set by Mr. Serls as 14 per cent, and anything more than that is graded tough. But there is lots of grain with 15 and 15½ per cent moisture which is quite safe to store. In a trial shipment of wheat that was sent, I think in the year 1915, from Vancouver through the Panama canal to the Old Country, they tested a great many cars; some of them showed 15½ per cent moisture. Although it was two months on the road it arrived in perfect condition. Why should we leave it to Mr. Serls to arbitrarily set the moisture content at 14 per cent? I believe that when the new grain act is drafted, in the case of every sample of wheat that tests over 14 per cent moisture—if that is to be the content—the percentage should be stamped on the certificate; so that the buyer and seller will know just what moisture is in that wheat. I think it is wrong sometimes to say that a car of grain should be graded tough if it contains 14.2 or 14.3 moisture.

One other point I wish to bring to the attention of the minister is the practice that seems to me has just recently been put into effect at Calgary. Sometimes when our wheat is graded at Calgary, if we are dissatisfied with the grade we can ask for a re-inspection at Vancouver. I had one car raised from 3 to 2 grade by having it re-inspected at Vancouver this fall, and that gave me an extra seven cents per bushel. But recently a car of wheat was shipped to Vancouver, graded No. 4 at Calgary, and the commission man in Calgary asked for a survey board to survey the sample. That board confirmed the inspector's judgment and said it was No. 4. Then the owner of the wheat asked for a re-inspection at Vancouver. Mr. Hill said he had instructions from Mr. Serls that after these cars were surveyed they should not be re-inspected at Vancouver. I took the matter up with him myself, and at my request he wired Vancouver asking them to re-inspect this particular car. When it got to Vancouver the elevator agent there put it in a special bin and wired Serls for instructions as to whether he could re-inspect that car on unloading. Serls told him no, they could not, that the survey on the car was final. Now the sample which the survey board judged may not have been a true sample of the car, and just because of the arbitrary action on the part of Mr. Serls the party was deprived of the privilege of having that car re-inspected when unloaded. I think that action on the part of Mr. Serls was altogether unwarranted, and I would ask the minister to see that that practice is stopped. It seems to me there is no reason why that car might not have been re-inspected at Vancouver, and it is possible the party lost a grade on it. If so he lost ten cents a bushel.

I hope the minister will act on this last request of mine. I think he might take it up with the inspector right now, and might provide, when cars are shipped through to Vancouver and re-inspection is asked for, it should be allowed, because the samples drawn very often are not really representative of the wheat which is in that car.

Mr. MOTHERWELL: I would like to say just a word or two about this survey board. I have a lot of sympathy with the hon. member for Macleod (Mr. Coote) in his suspicion regarding its personnel. I can recall the time when I was just as filled with suspicion, not only regarding the survey board, but everything else on the Grain Exchange. But when I became more familiar with the methods of appointing the survey board and the difficulty of making appointments from anywhere except Winnipeg where the surveys were to be held, I realized some of the difficulty of getting a board that would secure the entire confidence of everybody. If the hon. member for Moose Jaw (Mr. Hopkins) is here, he will recall that in 1906 or a little afterwards, in order to secure, if possible, the confidence of everybody in the personnel of the survey board, Mr. Dorrell of Moose Jaw, was appointed. Other farmers were appointed, including myself, and we got notice of the survey board about a week after the board meeting was over. You see how impossible it is to appoint farmers owing to their living, sometimes, hundreds of miles away from Winnipeg or Calgary. Finally, that method was abandoned. The next move of the department was to authorize the various ministers of agriculture for the three prairie provinces to make recommendations to the government and those recommendations would be honoured and appointments made in that way representing the different provinces. What was I to do? I had to get some person in Winnipeg—and I presume other ministers of agriculture were under the same necessity—in order that they might attend a hurry-up call of the board, as it might be called at fifteen minutes' notice. Consequently, I got in touch with Mr. W. W. Thompson, with whom I am sure all members from the west must be acquainted and who is one of the most honourable men

we have in the grain trade, and I asked his advice as to whom I should appoint as being a good straight grain man. I used to believe there were none such, but now I believe there are. After he had made his recommendation, I recommended the appointment and the Department of Trade and Commerce made the appointment. If my hon. friend has any better way of making these appointments, let him produce it instead of continuing in his suspicions. Will the hon. gentleman representing Macleod answer this question? I know he will. Did Mr. Snow or anybody else recommend to the Department of Trade and Commerce that he himself be appointed a member of the grain standard board?

Mr. COOTE: Somebody did.

Mr. MOTHERWELL: I think my hon. friend for reasons of his own, declined.

Mr. COOTE: Yes.

Mr. MOTHERWELL: But on the other hand he was given the opportunity, since he could not act himself, to recommend another.

Mr. COOTE: Yes.

Mr. MOTHERWELL: And that other accepted.

Mr. COOTE: In answer to the hon. minister, if he will allow me to answer right now, I may say that I was offered a position on the grain standard board, but I was advised by two reputable solicitors that I had better not accept that, because acceptance might be considered as accepting an office of emolument under the crown which would interfere with my duties as a member of parliament. For that reason, I reluctantly declined. Personally, I would rather be a member of the grain standard board than a member of this House. I, however, declined for that reason and I suggested to the wheat pool board, that they might recommend some farmer or some person to the Board of Grain Commissioners, to be appointed to the grain standard board, and I believe Mr. King, of Raymond, was appointed on that recommendation. When I was speaking on this subject a few minutes ago, I said that I thought the wheat producer should be allowed to nominate or appoint a majority of the members of the grain survey board. I objected to their being appointed by the board of trade of Calgary. Many men on the board of trade of Calgary do not know good wheat from poor wheat any more than I do, at any rate.

10 p.m.

Mr. MOTHERWELL: I was not criticizing my hon. friend for not accepting the position. That was his privilege. What I wanted to point out was that the government, through Mr. Snow, was doing everything it could to get a representative board. As my hon. friend was taking an active interest in it, it was suggested: Here is a gentleman who is taking an intelligent interest in this question; why not appoint him? That was a logical thing to do and it showed that the desire of the government and Mr. Snow was to have the board properly representative. My hon. friend took the next best step to going on himself by getting a nominee of the wheat pool. I had the pleasure of meeting that gentleman at Winnipeg when the board sat there to set the commercial grades. Not only was he appointed to represent the farmers, but Mr. Maharg was appointed as a representative of the Co-operative Elevators of Saskatchewan, Mr. McRae, representing the wheat pool of Saskatchewan, Mr. Dan. McCuaig, who had been on for Winnipeg for twenty years, Mr. Crerar, who had been on for some number of years and Mr. A. E. Wilson, another prominent gentleman who was head of the grain commission for the three western provinces. All these gentlemen with practical knowledge of the whole question have been on the board either recently or for many years, and that shows the desire of all governments, whether Conservative or Liberal, to try to get representative boards. Evidently, they tried to get a good man in the person of my hon. friend and he must accept some responsibility for declining. If the other gentleman was better than he was, then of course my hon. friend is absolved from any blame in the matter. Some day my hon. friend may have on his shoulders the responsibility of government, and when he is adopting the best methods obtainable among the sons of men, then he will ask the other fellow to produce an alternative that is better. I am asking my hon. friend that, instead of casting suspicion over all our boards and over all those in authority, whether it be on the grain board, standard board or survey board, or any other board: Why can he not show some more excellent way?

The criticism to-night about the protein content was logical enough, but the protein content can be got in about three hours by the sulphuric acid test. That, however, does not mean anything at all as regards the quality of the protein content and is of no indication in a country like ours where wheat may not mature due to frost. Under frost the protein content will become actually higher but will be of less value. There is a great deal of difficulty in connection with this complex question, and I would ask my hon. friend to think of these things.

Mr. KELLNER: When the minister states that the protein content is of little value, whom is he quoting from?

Mr. MOTHERWELL: Dr. F. T. Shutt of the experimental farm. I have not his books here, but I have five or six of them in my office.

Mr. COOTE: Just in reply to the minister's little lecture to me for criticizing so much, hon. members present will back me up when I say that I offered no criticism of the personnel of the grain standard board. I did criticize the Canada Grain Act as regards that clause which provides for the appointment of the survey board at Calgary. They are appointed by the board of trade in the city of Calgary, and that is what I was objecting to.

Mr. MOTHERWELL: The hon. member certainly did criticize the survey board pointing out where they are all appointed from around Winnipeg. How could it be otherwise? The survey board has to be called in five minutes, sometimes, and you cannot send to Indian Head, or Regina or Saskatoon.

Mr. COOTE: I am talking of the grain survey board of Calgary, and I thought my remarks indicated that I was referring to that board. I saw the members at work several times, and only three of them out of eight were engaged on the different samples.

Mr. STEWART (Humboldt): The Minister of Agriculture treats as worthless the test made in Minneapolis, which I gave to the House a short time ago, and which made a difference of 26 cents per bushel to the grain firm on the wheat they tested. Why should such a test be worthless in this country if it was worth 26 cents a bushel to the grain firm in Minneapolis?

Mr. MOTHERWELL: I have heard so many of these proposals put forward that I want to know more about them before I give an answer to my hon. friend's question.

Mr. MILLAR: Mr. Chairman, the statement made by the Minister of Agriculture is my reason for reading this letter in regard to the time required for a test. I think his information as to time is rather astray.

Mr. MOTHERWELL: About three hours.

Mr. MILLAR: This is from the National Testing Laboratories, Limited, Winnipeg, and I believe I am free to use the information:

> In the evidence given before the recent grain inquiry it was stated that the time required to make a test was one hour. Our experience has been that it takes one hour and ten minutes from the time that the sample arrives in the laboratory until the result of the test is telephoned to the customer. This does not, however, mean that every sample takes the same time. With our particular equipment if we receive twenty-four samples at one time, the first four would be reported in the above time and the balance would come off in groups of four in five minute intervals. So that while it would take one hour and ten minutes for one sample, twenty-four could be reported in one hour and thirty-five minutes after being received in the laboratory.

Mr. MOTHERWELL: The wheat I referred to was whole wheat. The more it is ground the quicker the result.

Mr. MILLAR: There is nothing here to indicate that it is anything else but the whole wheat that we have been talking about.

Mr. MOTHERWELL: They have little mills for grinding it.

Mr. MILLAR: I have similar information from laboratories in the States. This paragraph of the letter deals with the cost:

> Referring again to the grain inquiry, it was stated in evidence that at Kansas city the cost of protein determinations is 45 cents a sample. With the extra cost of chemicals and so forth in western Canada we could not approach this figure with the volume of business that we had during the past grain season, but if our present equipment was at work to the limit of its capacity, that is, working for twenty-four hours in three shifts, we could I have no doubt get down to this figure.

That is, 45 cents per sample.

Sir HENRY DRAYTON: Mass production.

Mr. MILLAR: Yes. With regard to the minister's statement that the protein test is of little value, I think he is also astray there. In the laboratory at Winnipeg now there is, I believe, a baking as well as a protein test. While I have not much information to back this up, what little I have leads me to believe that unless there is frost or some other peculiar feature in the grain the amount of protein is all that is required. In case of frost and perhaps dampness the protein is damaged, and that damage would have to be determined. But the mills in Minneapolis, in Kansas City, Missouri, and in Kansas City, Kansas, are making the protein test on a large scale, and there is not any reason why the same cannot be done for the farmer. In that case he will get the benefit; at present the mills are getting the benefit. I am almost inclined to think this discussion has gone so far that possibly the minister might be ready to do with my resolution what he was kind enough to do with my former resolution dealing with Dr. Saunders—place something in the estimates. Now, if he will agree to accept the principle of my resolution, and provide machinery so that grain can be tested when the farmer desires

it, and the test used as a basis for fixing the price, possibly it would not be necessary to proceed with that resolution and time would be saved.

Mr. COOTE: For fear the statement of the Minister of Agriculture may create a wrong impression, the day I was in Minneapolis I called on a gentleman who runs a private laboratory in the basement of the chamber of commerce, and he told me that he had tested 200 samples that morning at a charge of 75 cents apiece. Why would the grain men of Minneapolis have that number of samples tested in a morning if they were not making use of the protein test in selling their wheat on the market?

Mr. MOTHERWELL: Were any of the samples damaged by frost?

Mr. COOTE: I could not say.

Mr. MOTHERWELL: It makes all the difference in the world.

Mr. COOTE: I remarked to the head official of the grading system in the United States, "I do not suppose you have any frosted wheat?" He replied, "Indeed we have; we have considerable frosted wheat from Dakota and some from Montana. But certainly the protein test in most cases gives some indication of the milling value of that wheat."

Mr. STEWART (Humboldt): The Minister of Agriculture has intimated that he doubts the reliability of the tests made in the time we have stated. Perhaps he would be good enough to inform the committee how long he thinks it should take to make a complete test?

Mr. MOTHERWELL: It depends whether the grain is in its whole state or partially ground in a little mill. The time will run from one and a half to three hours.

Mr. JELLIFF: Has the Minister of Trade and Commerce been down to the Russell hotel to inspect the dockage determining machine on exhibit there? If he has, will he tell us if he intends adopting it for use in this country as a standard? They have done so on the other side of the line, I understand. There are a great many disputes over dockage, and a great deal of complaint among farmers. I think this machine could be used with very great advantage both to the government and to the farmers.

Mr. LOW: I assure my hon. friend that I am always glad to examine such a machine. Probably I was one of the first members of the House to see it in operation. It seemed to clean up pretty thoroughly the sample of wheat that I saw put through. Whether it would be feasible or not to place the machine in our elevators would have to be determined by experts. I am not in a position to say at the moment that I would care to go as far as my hon. friend suggests and recommend that the machine be placed in all Canadian elevators.

Mr. JELLIFF: Another question. I think the very substantial surplus shown in his department would warrant the minister advising a decrease in the inspection and weighing fees. In the delivery season some 1,500 to 3,000 cars of grain go through Winnipeg daily. My recollection is that the inspection and weighing fee is $2 per car, so that would mean a cost to the farmers of from $3,000 to $5,000 or $6,000 a day for that inspection service. In view of the surplus that is shown in the handling of the grain trade it seems to me that there might be a reduction in this fee, with some advantage to the farmers who raise the grain. Has the minister thought of making any such reduction?

Mr. LOW: I would be very glad to suggest that a reduction be made, but unfortunately in a year when we have a small crop our overhead goes on just the same. We have not the complete figures for the twelve months of this fiscal year, but I venture to say that the surplus will be less than it was for last year on account of the smaller crop. We have to maintain a staff, and any reduction that is made in the staff amounts to very little; the great bulk of the expense is continued. While for the last four or five years we have had a surplus, yet for eight or ten years we had a deficit. I think this year the surplus will be reduced.

Mr. JELLIFF: A good deal has been said here to-night about complaints with regard to the grading of grain during the last season. I have heard a great many complaints of that kind in my portion of the country. The farmers are all complaining that grain that they deemed to be equal to that of 1923 has been graded from one to two grades lower, and it is difficult for them to understand it. I wonder if the minister has seen a little booklet that was issued by the Maple Leaf Milling Company in which they called special attention to the excellence of last year's crop from the milling standpoint. They state in the opening paragraph of that booklet that whereas the old grain of the previous year's crop usually makes the best flour the new grain of last year's crop makes flour of

just as good quality as the old wheat. So that if we follow the milling test at all in determining our grades the farmers of western Canada should have got just as good a grade last year as they did in 1923. It seems to me that all the statements that have been made to-night and all these references to investigations along scientific lines must convince us that the basis of our grading should be changed; that we should get our grading on a scientific and practical footing so that the farmer shall get the actual value of his product. I hope that in the drafting of the new grain act a new method of testing will be made effective.

Mr. CAMPBELL: The question raised by the hon. member for Macleod with regard to the grading of tough grain, or the tough grading of grain, perhaps I should say, is one in respect to which the farmers in the north-east part of Saskatchewan have a standing grievance. Every second or third year we have a rainy season and our grain is more or less damp. The farmer does not complain of the grading as tough of grain that actually is tough, but the elevator companies have a habit of grading everything tough in that particular district. I have been told frankly by travellers for the elevator companies on more than one occasion that they have instructed all buyers to buy everything as tough regardless of what the grain may be in that particular district. In some cases grain which is carried over from the year before, and which is perfectly dry, is graded as tough, though the buyers themselves admit quite frankly that it was not tough. That condition of affairs has been going on there for many years. I do not know just where the responsibility of the department would come in, but the matter should be dealt with in some way. The fall of 1921 was a very wet one, and practically everything in the way of oats and most of the wheat grown in the part of Saskatchewan in which I live was graded tough. Some of the oats, in fact, sold as low as 12 cents a bushel. The farmers lost hundreds of thousands of dollars that year that I consider we had no right to lose. I remember one case of a farmer showing me some oats that had been grown the year before and that was graded tough. I sent a sample down to the grader at Winnipeg and it was graded straight there, but in discussing the matter with the elevator man I was told that he had been instructed to buy everything tough in that particular district. I came down here in the early winter of 1922 and I had an opportunity of discussing this with the Board of Grain Commissioners. They told me they had Dr. Birchard conduct a series of tests, and I have here a copy of at least part of Dr. Birchard's report, dated February 1922. It says:

> The data acquired at Winnipeg, Fort William and Montreal, lead to the conclusion that the moisture limit for oats is somewhere between 14.0 per cent as a minimum and 14.5 per cent as a maximum. That is to say, the evidence appears sufficient to indicate that oats carrying 14.5 per cent moisture may heat or otherwise go out of condition under extreme conditions, but that they will safely carry under the same conditions 14.0 per cent of moisture. No evidence of heating was obtained in any car where the original moisture was 14.0 per cent or under.

My grievance is that this report of Dr. Birchard was never put into effect, so far as I have been able to find out, by the graders. In fact, I understand they have been grading as tough anything up to 13 per cent in oats and about 14 per cent in wheat. I believe that the examinations would show no wheat spoiling at less than 15 or 15.5 per cent of moisture. During the last year or two we have had comparatively dry seasons and the farmers have not had such a grievance in that regard, but any fall may be unusually wet, in which event this thing will recur and hundreds of thousands of dollars will be lost to the farmers. I think something should be done about it.

Now, the point that has been raised this evening with regard to the milling value of wheat is an old one. It has been discussed in the prairies since 1907 or 1908, I believe, when tests were made which indicated that very often No. 3 wheat would show a higher milling value than No. 1 or No. 2. In these cases the farmer lost a great deal of money. In the fall of 1911 I took two samples of my own wheat to a local miller to have them thoroughly tested. Some of my wheat was threshed before there was any rain and it was perfectly dry, not bleached in any way. It graded No. 2. Some of the wheat that was threshed after the rain and was slightly bleached was graded No. 3. I am not sure what the spread was in the price, but I believe it was 7 or 8 cents. I took samples of both these grades of wheat to a local miller and had them both ground into flour. The miller told me that there was not a particle of difference either in the quality or in the quantity of the flour obtained from these samples. It was perfectly plain that both made exactly the same quality and quantity of flour. It simply meant that the miller who eventually bought it—

Mr. LOW: What were the grades?

Mr. CAMPBELL: The wheat that was threshed before it got wet and was not bleached graded No. 2; the other, slightly bleached and slightly off colour, graded No. 3. But there was not one particle of difference in the milling qualities of these grades.

Mr. LOW: While the quality of both grades might be the same so far as the flour is concerned, yet No. 3 would not yield as great a quantity of flour as No. 2. That is usually the case.

Mr. CAMPBELL: That is what we have always been told, but this miller proved it was not so. He ground them into flour and could hardly tell which was the original shipment. There was not a particle of difference as to quantity or quality. Now we have hundreds of thousands of bushels of that kind of wheat in our part of the country, and it means the farmer loses a great deal of money. Somebody must make it. I do not say the miller always does; probably he pays a premium on that to the grain dealer. I know there are certain difficulties in the way of enforcing grading by milling value, but it seems to me something ought to be done in the way of looking further into it. It was considered quite feasible a good many years ago when the tests were first made, but for some reason or other nothing particular was done about it. This year there have been a good many complaints. We have heard a good many complaints in this House this evening, about the grading of grain. The farmers throughout the prairies seem to have the suspicion that the grading this year had some connection with the wheat pool; in other words, they seemed to have the opinion that there was a determined effort made on the part of the grain companies to put the pool in a false position. I was told very frequently by grain men that when they were expecting wheat to be shipped to the pool they had no margin; they were paid handling charges only and had no profit, so in order to play safe they graded what they call very close. That means very often that the farmer loses a grade. That is the explanation from the grain man's standpoint. But apparently the chief grader was grading very close too. I do not want to imply that there was any collusion between the grain companies and the grading officials, but that is the suspicion, and the results later on in the season seem to have convinced the farmers that there was some ground for it. If there is anything in that, it is a very serious thing, and it would be well for the government to look into it.

[Mr. Low.]

Mr. GOULD: We are going to have a new Grain Act, and have it built up in the manner we want. We are going to provide penalties in the act for infringement of its provisions. Possibly some of the evidence that is submitted showing infringements, even if it is submitted by hon. gentlemen here, will cause the penalty to be applied. I would like to see Dr. Birchard brought down here to give evidence before the committee to which the minister said the Canada Grain Act would be submitted.

Another citation that I want to make at this time came under my personal notice, and I am prepared to take my affidavit upon this if necessary. It is the protest of a man who was selling street wheat to an elevator last fall, and at last in despair he stopped going to that elevator and took his grain to another one, where he received a higher grade and 8 cents per bushel more. He had to take a special bin at this first elevator that he went to, and for the first load he took in for his special bin he was allowed 47 bushels; the second load 43 bushels, and the third 37 bushels. They thought then that the special bin was practically assured, but the man took his grain to another elevator and got street price for a load, which meant 8 cents a bushel more. He took another load in; this was at 47 bushels; and the grain had some wild oats in it. He took in a third load and got the same weight and his 8 cents a bushel better. He was asked by the first elevator man if he was not going to use the special bin, and he replied no he did not think he was. The elevator man wanted to know why, so the shipper took the tickets out of his pocket and said as he showed them, "Here is a good reason why." He asked for cash tickets. Cash tickets were made out, and the owner of the tickets said, "Surely you can do as good as this bill, can't you?" and he did. He made the cash tickets out. The shipper then asked why he did not do that in the first place and the elevator man replied, "My positive instructions are that I must grade one grade lower than I know I can get for that wheat in Winnipeg." He was then asked how he got by the Canada Grain Act. I say, Mr. Chairman, that if the farmers had been receiving even justice under the act protests would not have been made in the numbers they are being made to-day; but these grain men think they are a law unto themselves, and I wonder who the individual was who would instruct an elevator operator out in the country that he should and must buy his grain one grade less than he knows he can

receive for it in Winnipeg. That is street wheat I am referring to. The grain report shows that about fifty per cent of our wheat is sold as street wheat. Consequently when such practices are taking place, you see the terrible leverage the grain interests can exercise on the farmer, when fifty per cent of our total crop is street wheat. That is only one case. I could cite similar cases by the hour if necessary.

Mr. LOW: I suppose my hon. friend knows that that matter has been very fully dealt with by the Royal Grain Commission. The evidence taken before that commission will all be available to the agricultural committee when the bill is submitted to them.

Mr. COOTE: There is one question I would like to ask the minister, and that is as to the grades on wheat that are shipped out of Canada. I put a question on the order paper last week asking the number of bushels shipped to the United States last year and what grades. The answer I think was to the effect that the department had no record of the different grades shipped out. I would like to know if it is a fact that the department keeps no record of the number of bushels of each grade shipped out. It seems to me we should have that information. It is rather unfortunate otherwise, particularly in view of this suggested export tax on wheat.

Mr. LOW: That question was not answered by my department, but by the Customs department. I do not think they keep a record of the different grades shipped out.

Mr. COOTE: Does the Department of Trade and Commerce keep such a record? Could we get the information officially if we asked for it?

Mr. LOW: No, you would have to apply to the Customs department.

Mr. COOTE: Are we to understand that the minister's department has no record of the numbers of bushels of Nos. 1, 2 and 3 grades that are shipped out of Canada from the elevators at Montreal and Fort William?

Mr. LOW: We have no record of the exports of the different grades to the United States.

Mr. ROSS (Kingston): Since the minister dismissed these chemists and laboratory assistants, has any research work been carried on by the government?

Mr. LOW: Dr. Birchard is still in the office, and he is no doubt doing some work for the inspection department in Winnipeg.

Mr. ROSS (Kingston): To settle the matter beyond doubt, is any research work actually being carried on by Dr. Birchard? I would take it from what the minister said that he was the least desirable of the crowd, yet he is kept on and the other fellows are dismissed. Is any research work being done by Dr. Birchard, and is the only research work being done by the government being done by him?

Mr. LOW: The only research work that is being carried on at the present time under this department is by Dr. Birchard. He is still in the office at Winnipeg and there is no question but that he is carrying on some work, but to what extent I am not prepared to-night to say.

Mr. GOULD: The minister omitted to answer my question as to whether Dr. Birchard would be called to give evidence before the committee to which the Canada Grain Act will be submitted.

Mr. LOW: That will be a matter for the committee on Agriculture to decide. Dr. Birchard gave evidence before the Royal Grain Commission very fully. That evidence will be in the possession of the committee and if, after scrutinizing it, they should decide that it is necessary to call Dr. Birchard before them it will be their privilege to do so.

Mr. GOULD: I would point out to the minister that owing to incorporation of the testimony given before the Royal Grain Commission in the sessional papers only it is very difficult for all those members who are interested to obtain access to Dr. Birchard's evidence. The report was quite a voluminous one and there is only one copy of it although some thirty or forty members are very intensely interested in this evidence. I submit that every hon. member who wishes should have a fair opportunity of acquainting himself with the testimony given before the commission. When that evidence was laid upon the table—although the inquiry had cost this country a lot of money,—I might have moved that it be printed, because it might not have involved a much greater expenditure, but in my generosity I did not ask that that be done. However I believe there should be some arrangement whereby Dr. Birchard's evidence could be made more available to the members of the committee. I have a copy of the official report in my office at the present time, and I wish to retain it as long as I can. Of course those members may see it who wish

to do so, but if there were more copies available it would be much better for all concerned.

Mr. CAMPBELL: The minister seems to doubt my statement regarding the milling qualities of the two different grades of grain that I mentioned. That being the case I should like to quote some of the figures in connection with the tests carried out by the Department of Agriculture of the territorial government in 1924. In that year the territorial Department of Agriculture made arrangements with Professor Harcourt, a chemist in the Ontario Agricultural College, to conduct experiments along this line in order to find out the comparative milling values of the various grades of wheat. Eight one-bushel sacks were sent to the inspection office at Winnipeg where they were graded all the way from No. 1 hard to feed, from the highest to the lowest grade. They were sent to Professor Harcourt under numbers so that he could have no means of finding out how the samples were graded by the inspection department. His report was that there was very little difference in the milling and baking values of any of them. I will just quote what he says in that regard:

> The conclusion reached was that there did not appear to be much difference in the value of the different grades of wheat. Even the feed sample proved by no means useless for bread-making purposes, either in yield or quality; the only thing that rendered it less available for bakers' use was its darker colour. All who saw the loaves were surprised at the quality of this bread.

I may say that I myself ate some bread made from what was considered to be a very low grade of wheat—wheat that was badly frozen and which, up to that time, I had always considered utterly unfit for flour. I always wondered where all this feed wheat went, but after having tasted it I formed a pretty good idea because it yields very excellent flour. Now the results of the Harcourt tests were so astonishing that the territorial government made an extra test, which demonstrated conclusively that the first test was correct, and that there was no very real difference in the quality of the flour as between the No. 1 and the other grades. I think that is a very important thing. I should like to impress upon the minister that the department should look carefully into the matter and see if it is not possible to work a statement of that kind into the new grain act.

Mr. LOW: I do not doubt at all the statements of my hon. friend, but an experience of about twenty-five years rather convinces me that you do not get the same yield out of No. 3 that you do out of No. 1. In the case of No. 3 you get a greater quantity of the by-products. The quality, perhaps, of flour from No. 3 might be just as good as that from No. 1, but you would not get the same yield of flour, consequently No. 3 would not be worth as much as No. 1. Speaking from a milling standpoint it has been our experience that it is more profitable to buy the higher grades—we get a greater yield and we have less by-products. We find that when you get down below No. 3 a greater quantity is needed to make a barrel of flour although the cost of manufacturing the flour is just as great in the case of the lower grade as it is in that of the higher.

Mr. CAMPBELL: Perhaps the minister's experience is not quite the same as it would be if he were buying direct from the market. I am inclined to think that some of these grades are doctored a little before they reach the millers. Now the tests carried on by Professor Harcourt in 1904 showed that in the case of No. 1 hard the amount of flour obtained was 70.8 per cent, as against 68 per cent from the No. 4 grade. This difference is certainly not sufficient to account for the difference in price between No. 1 hard and No. 4.

Mr. COOTE: I should just like to explain, in reply to the question asked by the hon. member for Kingston (Mr. Ross) as to whether any experiments were now being carried on by the laboratory, that Dr. Birchard was kind enough to make baking tests from the different grades of wheat and to send them to the farmers' convention at Calgary this year to demonstrate to the farmers exactly the kind of bread that could be produced from these different grades. I should like now to express publicly our appreciation of Dr. Birchard's kindness in making those tests. Of course we wired the department at Ottawa first and asked that permission be given Dr. Birchard to carry out these tests. The department wired Dr. Birchard the necessary authority but in its telegram to me stated that it would assume no responsibility for any misapprehensions that might be caused by the use of the different breads. The bread that was exhibited was from Nos. 1, 2, 3, 4 and 5. The bread made from No. 5 looked to me to be good enough for anybody to eat, and to the ordinary layman it was hard to detect any difference in the quality of bread made from No. 4 wheat and that made from No. 1. Some bakers were called in to examine the bread and they pronounced it to be first class. Their

opinion was that it would be impossible for anybody to tell any difference whatever between the bread made from No. 4, and that made from either Nos. 1, 2 or 3. So I think that as a rule any one of our Nos. 1, 2, 3 and 4 grades, if secured as they come through the hands of the inspector and before they go through the terminal elevator, will make the very best bread.

Mr. LOW: Speaking again from experience I find that a blend of Nos. 1, 2 and 3 very often makes a better loaf of bread than straight No. 1. I should just say to the members here to-night that there has never been a complaint brought to my notice to which I have not given my personal attention at once. I think every member of the House will admit that whenever they have written to me they have found me willing to take up their complaints.

Mr. COOTE: I should like to ask the minister if the Canada Grain Act does not require a return to be made of the grades that are taken in as well as those that are shipped out of the terminal elevators?

Mr. LOW: Yes. The act requires that a record be kept of the grades going into those elevators, but not in the case of grain exported to the United States. When it is shipped to the United States no record is kept of the grade.

Mr. MILLAR: No record is kept of the grain going in and out of the private mixing elevator is there?

Mr. LOW: Yes, the record is kept by the inspector at the elevator.

Mr. MILLAR: In the figures submitted last year or two years ago it was claimed later on before the Grain Inquiry Commission that there had been no cut off as between years, and therefore the figures were of very little value. Did they ever make a cut off and have a weigh up in the private mixing elevator?

Mr. LOW: A weigh up at all the terminal elevators. Is the hon. gentleman speaking of private elevators?

Mr. MILLAR: Yes.

Mr. LOW: No.

Mr. SPENCER: The minister said a few moments ago that every single complaint had his personal attention. I have in my hand a letter sent to the minister by a man at Clairmont, Alberta, by the name of Gudlangson, who I understand sent samples of his grain to the minister with the request that they be tested. I will not take time to read the letter as it is lengthy, but I would like to find out if a reply was sent to him because he claims no attention was paid to it.

I would like to say a few words also in regard to the situation of the grain laboratory at Winnipeg. The whole thing seems to have rather a nasty taste. I do not like the look of it at all. We have heard that one of our experienced chemists was left all alone; his staff instead of being retired, you might say, to use a better term, had been fired. The chemist was the only man left in a very large laboratory, and cannot possibly attend to his business properly. The minister claims he is very sympathetic with the interests of the grain growers. His expressions are all right, but his actions seem to prove otherwise. Statements have been made that this Dr. Birchard, who seems to be looked upon as a very able man by those who know him, has not been sending in his reports regularly. Do the reports come from Dr. Birchard direct to the department, or is there any body of men or any official who has to pass upon these reports before they reach the department. Is there any possibility they have been suppressed, if not in whole at least in part? I was very much interested in the information given by the hon. member for Macleod (Mr. Coote). I noticed that he has obtained a large amount of valuable information by going through the States on his way to Ottawa. What surprises me is that the government through its Department of Trade and Commerce has not got this information before, or if it has, why it has not acted on it. It has always seemed to me strange that the Minister of Agriculture should be entrusted with the oversight of the entire interests of the farmers in regard to everything except the largest and most important product they produce; but the welfare of that product is turned over to another department, namely Trade and Commerce; not that I think the Department of Agriculture would look after it any better than the Department of Trade and Commerce, but I think a great deal of useful work could be done in both departments in regard to agriculture. I would like the minister to answer the question in regard to whether any official or officials stand between Dr. Birchard's report and the department.

Mr. LOW: No, there is no official standing between the department and the chief chemist. I think I stated very clearly our experience with Dr. Birchard. As a matter of fact, before I took over the department he had sent in a partial report which had been set up in type and remained down in the Printing Bureau for about fifteen months. The department at the time asked Dr. Birchard to complete his report, and he did not do so. The type was finally set aside, and the report was never printed, and never completed.

Mr. SPENCER: May I ask the hon. minister at whose instigation the staff of Dr. Birchard was fired or let out?

Mr. LOW: Dr. Birchard is still in the laboratory at Winnipeg.

Mr. SPENCER: I was referring to the staff of Dr. Birchard.

Mr. LOW: We decided to reorganize the laboratory and we are waiting, or have been waiting, for the report of the Royal Grain Commission. I am sure that when the staff is reorganized hon. members opposite will find that it will be more efficient than it has been.

Mr. CLARK: Will the minister tell me how many grain laboratories there are?

Mr. LOW: One.

Mr. CLARK: What provision is made for the testing of grain loaded for the western route?

Mr. LOW: The only place is Winnipeg.

Mr. CLARK: How can grain that goes by the western route be tested at all?

Mr. LOW: Tests can be made at Winnipeg. Samples are sent to Winnipeg to be tested.

Mr. CLARK: What proportion of the vote is being set aside for the purpose of extending the grain testing at Winnipeg or other places?

Mr. LOW: There is no special amount set aside. The vote is $1,100,000, and the cost of the laboratory at Winnipeg is included in that amount.

Mr. CLARK: Can the minister give the details of the vote, what it is for?

Mr. GRAHAM: It is all on Hansard.

Mr. LOW: I will be glad to give the hon. member the information. The item is made up of the expenses of the board, secretary and staff.

Salaries, wages and expenses	$ 84,640
Inspection department, salaries and wage expenses	684,367
Weighing department, salaries, wages and expenses	336,267
Registration department, salaries, wages and expenses	19,039
Survey and standard board	3,650
Grain research laboratory, salaries, wages, not including the chief chemist	14,300
Eastern division, salaries, wages and expenses	24,202
Making a total of	$1,166,465

That is the estimate of the Canada grain board.

Mr. CLARK: Under which department does the grain laboratory at Winnipeg come?

Mr. LOW: I have just stated, the grain research laboratory. The salaries, wages and expenses, with the exception of Dr. Birchard's salary, amount to $14,300.

Mr. CLARK: That is just the point. What provision is there then for this extension which the minister has been discussing so much to-night. I understood him to say that he thoroughly agreed with the representations made by hon. members to my left that the work of the grain laboratory at Winnipeg should be extended. What provision is made in these estimates for extension of the work of this laboratory, if only $14,000 is in the estimates for this purpose?

Mr. LOW: It has not been costing the government that much, but that is the estimate made by the Canada grain board for this year.

Mr. CLARK: That is for 1925-26.

Mr. LOW: Yes.

Mr. CLARK: Is that right?

Mr. LOW: Yes.

Mr. CLARK: Can the work of this laboratory be extended under the provisions of this vote?

Mr. LOW: If, after we are through with the Canada Grain Act, it is found necessary to extend it so that more money will be required, a sufficient amount will be brought down in the supplementary estimates.

Mr. CLARK: My point is this: The Minister has already stated in most explicit terms, that there is necessity for the extension of this work. He apparently knew that before these estimates were prepared. Why then was it not included in the present estimates?

Mr. ROBB: The Treasury board insisted upon all ministers getting their estimates down to a minimum of their requirements, and we told them that a little later on, if they needed more, we would help them out.

Mr. CLARK: Is it the opinion of the Acting Minister of Finance that the work of this laboratory should not be extended?

Mr. ROBB: Not at all.

Mr. CLARK: Then, if the Acting Minister of Finance thinks it should be extended, how is it proposed to extend it under the provisions of this vote?

Mr. ROBB: The minister will work that out, and he has already told the committee that if he has not sufficient, he will come before parliament again and ask for a larger vote. I would like my hon. friend to help us a little in trying to effect economy.

Mr. BROWN: The fact is that the $14,000 vote for this particular work is larger than the amount spent last year.

Mr. LOW: That is it.

Mr. BROWN: That is the point.

Mr. LOW: That is the point I have been trying to explain to my hon. friend.

Mr. CLARK: What was allotted to grain research work last year?

Mr LOW: I am sorry I have not the figures here.

Mr. CLARK: That is vital. I cannot see how it could have been very much less. As regards effecting economy, I can assure the minister that he has no more ardent supporter in that respect than myself. But if this is a vital work and it appears to me to be so from the unanimous expressions of opinion from this side of the House, I do not think the sum of $14,000 is going to effect very much extension of this service.

Mr. LOW: Then, I may ask my hon. friend to support me when I bring down my supplementary estimates with an increase.

Mr. CLARK: We shall have to see the minister's plan first.

Mr. WARNER: Is it the minister's opinion that the laboratory at Winnipeg will serve for the western shipper? Does he know that there is a great deal of dissatisfaction at Edmonton on account of the present grading? Different people have sent the same quality of grain east and west, and they never get as good a grade on their grain at Edmonton as they do at Winnipeg. That causes a good deal of dissatisfaction as well in regard to the western shipments and most of the growers want to ship west.

Mr. LOW: I caused an inquiry to be made about that very complaint, and the assurance that I have from the grain board and the chief inspector is that there is no difference in the grading.

Mr. WARNER: The people at Edmonton certainly feel that there is when they have sent the same kind of grain, grain out of the same bin and out of the same lot, to both Winnipeg and Edmonton, and they have found that they got one lower grade at Edmonton than they did at Winnipeg.

Mr. LOW: I have a great deal of sympathy with my hon. friend because I sometimes have the same feeling when a carload of wheat arrives at our mill. We sometimes feel that there has been a mistake in the grading and that it should have graded a lower grade rather than a higher. These things are bound to happen. I made it my business to have the matter investigated with the result that the chief inspector and the Canada grain board assure me that there is no difference in the inspection

Mr. WARNER: I do not understand how it can be possible to take samples out of the same lot even and then get one better grade at Winnipeg than at Edmonton. There must be a difference somewhere, whether they say there is or not.

Mr. KENNEDY (Edmonton): Are there the same facilities in the way of reinspection for grain going through Calgary to the west coast as in the case of grain going through Winnipeg to Fort William?

Mr. LOW: Exactly the same.

Mr. McQUARRIE: What establishment is provided at Vancouver under this item? As I understand it, the department has at Vancouver inspectors and various other officials and employees who come under this item.

Mr. LOW: We have an inspection and a weighing staff at Vancouver, if that is what the hon. member wishes to know.

Mr. McQUARRIE: Yes, the details of that and what amount is provided to cover the expenses of the establishment at Vancouver.

Mr. LOW: I have a full list of the Vancouver staff with the salaries. If my hon. friend wishes, I will read them out to him.

Mr. McQUARRIE: I would like to have that information.

Mr. LOW: They are as follows:

Mackenrot, W. H., Weighman..	$ 2,200
Carruthers H., Weighman..	1,950
Simpson, Wm., Weighman..	1,830
McGeachie, Don., Weighman..	1,800
Bottoms, R., Weighman..	1,740
Gardiner, M. R., Weighman..	1,740
Brown, Geo., Weighman..	1,740
Gowe, C. H., Weighman..	1,740
Rumble, Thos., Weighman..	1,740
Anderson, E., Weighman..	1,740
Matheson, C. E., Trackman..	1,260
Reese, R. E., Trackman..	1,260
Riddell, J. H., Trackman..	1,230
Mills, A., Trackman..	1,230
One weighmaster—name not given..	2,430
Four other spare men..	5,760
Total..	$31,110

Mr. McQUARRIE: How does that compare with the previous year?

Mr. LOW: Of course the previous year would be much less. On account of the increasing flow of grain to Vancouver during the past twelve months we have added very materially to the staff.

Mr. McQUARRIE: That is the information I want. What additional facilities are being provided to carry on inspection expeditiously at Vancouver?

Mr. LOW: The staff is sufficient at the moment to meet the requirements. When found necessary it will be added to.

Mr. CLARK: Is that the total staff allotted to take care of administration work at Vancouver?

Mr. LOW: That is the full staff. I might give it in more detail:

One grain inspector; two deputy grain inspectors; eleven weighmen; four trackmen; one deputy registrar, and two grain clerks.

As my hon. friend knows, with the increasing elevator capacity at Vancouver we are constantly adding to the staff.

Mr. CLARK: But over $1,000,000 is for the purpose of administration. Is this $31,110 the total sum required for administration at the port of Vancouver?

Mr. LOW: Yes, for the weighing staff.

Mr. CLARK: That is the total under this vote required for administration at Vancouver?

Mr. LOW: Yes.

Mr. CLARK: Will the minister obtain for me the cost of grain research work for the previous year?

[Mr. Low.]

Mr. LOW: My deputy informs me that for the past ten months the cost has been $4,800.

Mr. McQUARRIE: Is the government's programme for grain testing laboratories limited to one at Winnipeg, or does it include similar facilities for the port of Vancouver?

Mr. LOW: We are not committed to any programme. We are waiting to see how the agricultural committee will regard the new grain bill. If the committee thinks that the grain testing laboratories should be increased, it will be for the committee to so recommend to the government.

Mr. McQUARRIE: The government, then, has no programme at all.

Mr. LOW: Yes, we have.

Mr. McQUARRIE: That is what I am asking.

Mr. LOW: We intend to continue the laboratory at Winnipeg, but we have not considered the desirability of establishing another in Vancouver, unless it can be shown to us that it is necessary.

Mr. GARDINER: Is any provision made for re-inspection at the interior terminals?

Mr. LOW: No, there is not.

Mr. GARDINER: Is there any possibility of getting such provision made?

Mr. LOW: It will be the privilege of my hon. friend to make any recommendations to the committee that he may see fit when the matter is under discussion.

Mr. GARDINER: I was wondering whether the minister had taken this matter into consideration in view of the report that has been placed before the House, and whether he proposes in the new Canada Grain Act to make any provision for re-inspection at those points.

Mr. LOW: No, we had not thought of making provision for such re-inspection.

Mr. GOULD: I presume that the new Canada Grain Act is being drafted at the present time?

Mr. LOW: That is correct.

Mr. GOULD: Undoubtedly there will be a lot of work for the committee to whom the draft act will be referred, and I think it would save time if the minister would pass on to the draftsman for incorporation in the bill the recommendations for the improvement of the act that have been made

here to-night. In answer to the hon. member for Burrard (Mr. Clark) the minister said he would ask for the members' endorsation of additional expenditure when he brought down the supplementary estimates. Apparently the minister takes it for granted that he is spending the government's money, but I contend it is money taken from the grain trade, and I do not think there is any thanks due to the government for its promised generosity.

Mr. LOW: But my hon. friend must bear in mind that the capital expenditure is borne by all the people; therefore they have something to say in the matter.

Mr. BROWN: That is as regards the public elevators.

Mr. LOW: Yes.

Mr. BROWN: But all the rest of the expense is charged against the trade?

Mr. LOW: That is right.

Mr. GOULD: During the years these elevators have been in operation they have shown some profit?

Mr. LOW: Only for the last four or five years.

Mr. GOULD: Well, we have had the government terminal elevators for about ten years, and in view of the increased volume of grain to-day it would be interesting if the minister would submit figures to the committee to show whether there is a credit or a deficit.

Mr. LOW: That will be disclosed when the item is under discussion. Elevators do not come under this head.

Mr. GOULD: True.

Mr. TOLMIE: As one or two of our members are unavoidably absent, would the minister extend to them on the next vote the privilege of referring back to this item which we are passing to-night?

Mr. LOW: Yes, if they wish to say anything on it.

Item agreed to.

Mr. LOW: The hon. member for West York (Sir Henry Drayton) wished me to again refer to item 355.

Sir HENRY DRAYTON: Since the adjournment, Mr. Chairman, my hon. friend (Mr. Low) has relented; he has actually given some information, and it is the information required. I will just read it so it will be on record. It is as follows:

Bounties Paid on Crude Petroleum

1922-23

Provinces	Barrels.	Claims.	Claimants.	Amount paid.
Alberta	379	9	1	$ 199 12
New Brunswick	4,513	6	1	2,369 50
Ontario	165,059	871	183	76,229 95
	169,951	886	185	$78,798 57
1923-24				
Alberta	58	2	1	$ 30 35
New Brunswick	6,945	8	1	3,648 24
Ontario	145,200	636	174	76,130 95
	152,203	646	176	$79,809 54

One other point on which I wanted to get information was as to the number of wells, but I understand my hon. friend cannot get that without a good deal of inconvenience, so I shall not bother him about it. I understand that the number of wells is practically the same; that is fairly common ground. I would also suggest that my hon. friend bring down the report of Dr. Hanna and—perhaps of greater importance in view of the position of the industry at present and of the fact that this is perhaps the last opportunity for looking into something which will shortly disappear unless attention is given to it—the report of the other government emissary who was sent to look over the ground. If these reports are brought down I shall be quite content.

Mr. JELLIFF: I understand that the list which has just been read refers not to the total production of oil in Alberta but simply to the portion upon which bounty was payable. Of course, we produce much more than that, but on account of the conditions as to specific gravity our actual oil production is not fully indicated in these figures. I think we should have a bounty on all we produce and that that condition should not obtain in our case.

Sir HENRY DRAYTON: You think it should be limited, though, to the small well only?

Mr. LOW: My hon. friend is right.

Item agreed to.

Progress reported.

On motion of Mr. Mackenzie King the House adjourned at 11.19 p.m.

Monday, March 2, 1925

The House met at three o'clock.

REPORTS AND PAPERS

Detailed statement of retirements authorized by orders in council passed from January 1 to November 1, 1924; also summary by departments of all retirements effected under the Public Service Retirement Act.—Hon. Mr. Copp.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

HOLDERS OF RANK OF DEPUTY MINISTER

Mr. DOUCET:

What are the names and salaries of all those who though not deputy ministers hold the same rank?

Hon. Mr. COPP:

Public Archives, Dr. A. G. Doughty, $8,000; Auditor General, Mr. Geo. Gonthier, $15,000; Civil Service Commission, Hon. W. J. Roche, $7,000; Col. M. G. LaRochelle, $6,000; Mr. Clarence Jameson, $6,000; Governor General's Secretary, Mr. A. F. Sladen, $6,000; Royal Canadian Mounted Police, Mr. A. A. McLean, $6,000; Patent and Copyright Office, Mr. Geo. F. O'Halloran, $8,000; Registrar of the Supreme Court, Mr. E. R. Cameron, $6,000; Chief Electoral Officer, Mr. Oliver M. Biggar, $12,000; Librarians of Parliament, Mr. J. de L. Tache, $6,000; Hon. Martin Burrell, $6,000; Clerk of Senate, Mr. A. E. Blount, $6,000; Clerk of the House of Commons, Mr. A. Beauchesne, $6,000.

WESTERN NATURAL RESOURCES

Mr. CLARK:

1. Has an agreement been arrived at between the Dominion government and the province of Manitoba for the transfer by the former to the latter of certain natural resources within the boundaries of Manitoba, belonging to the Dominion of Canada?

2. Have the people of British Columbia, Nova Scotia, New Brunswick and Prince Edward Island an interest in the natural resources referred to in paragraph one hereof, and, if so, what is the interest of each province herein?

3. Have the provinces of British Columbia, Nova Scotia, New Brunswick and Prince Edward Island been consulted as to the terms upon which said natural resources will be transferred?

4. Has the approval been received from any of the last mentioned provinces to the terms upon which a transfer shall be made, and if so, by whom has such approval been given?

Right Hon. Mr. MACKENZIE KING:

1. No.

2. So long as subsidies continue to be paid to the province of Manitoba, in lieu of the transfer to that province of its natural resources, it is obvious that the people of British Columbia, Nova Scotia, New Brunswick and Prince Edward Island have an interest therein.

Whether such interest would continue after the transfer of the resources in lieu of subsidy payments, and the discontinuance of such subsidy payments, is a matter which has not been made the subject of judicial determination.

In the event of a transfer of the natural resources being made on the above terms, if any province should feel that it has a claim arising therefrom that claim would have to be considered on its merits and should not be an obstacle to the settlement as to control of natural resources between the Dominion government and the government of the province of Manitoba.

3. Answered by the answers to Nos. 1 and 2.

4. Answered by the answers to Nos. 1 and 2.

Mr. CLARK:

1. Has an agreement been arrived at between the Dominion government and the province of Saskatchewan for the transfer by the former to the latter of certain natural resources within the boundaries of Saskatchewan, belonging to the Dominion of Canada?

2. Have the people of British Columbia, Nova Scotia, New Brunswick and Prince Edward Island an interest in the natural resources referred to in paragraph one hereof, and, if so, what is the interest of each province herein?

3. Have the provinces of British Columbia, Nova Scotia, New Brunswick and Prince Edward Island been consulted as to the terms upon which said natural resources will be transferred?

4. Has approval been received from any of the last mentioned provinces to the terms upon which a transfer shall be made, and, if so, by whom has such approval been given?

Right Hon. Mr. MACKENZIE KING:

1. No.

2. So long as subsidies continue to be paid to the province of Saskatchewan, in lieu of the transfer to that province of its natural resources, it is obvious that the people of British Columbia, Nova Scotia, New Brunswick and Prince Edward Island have an interest therein.

Whether such interest would continue after the transfer of the resources in lieu of subsidy payments, and the discontinuance of such subsidy payments, is a matter which has not been made the subject of judicial determination.

In the event of a transfer of the natural resources being made on the above terms, if any province should feel that it had a claim arising therefrom, that claim would have to be considered on its merits and should not be an obstacle to the settlement as to control of

natural resources between the Dominion government and the government of the province of Saskatchewan.

3. Answered by the answers to Nos. 1 and 2.

4. Answered by the answers to Nos. 1 and 2.

Mr. CLARK:

1. Has an agreement been arrived at between the Dominion government and the province of Alberta for the transfer by the former to the latter of certain natural resources within the boundaries of Alberta, belonging to the Dominion of Canada?

2. Have the people of British Columbia, Nova Scotia, New Brunswick and Prince Edward Island an interest in the natural resources referred to in paragraph one hereof, and, if so, what is the interest of each province therein?

3. Have the provinces of British Columbia, Nova Scotia, New Brunswick and Prince Edward Island been consulted as to the terms upon which said natural resources will be transferred?

4. Has approval been received from any of the last mentioned provinces to the terms upon which a transfer shall be made, and, if so, by whom has such approval been given?

Right Hon. Mr. MACKENZIE KING:

1. The basis of an agreement respecting the transfer to the province of Alberta of its natural resources has been arrived at; the terms of the agreement are being negotiated. When finally determined, the agreement will be submitted for approval to the Parliament of Canada and the legislature of the province of Alberta.

2. So long as subsidies continue to be paid to the province of Alberta, in lieu of the transfer to that province of its natural resources, it is obvious that the people of British Columbia, Nova Scotia, New Brunswick and Prince Edward Island have an interest therein.

Whether such interest would continue after the transfer of the resources in lieu of subsidy payments, is a matter which has not been made the subject of judicial determination.

In the event of a transfer of the natural resources being made on the above terms, if any province should feel that it had a claim arising therefrom, that claim would have to be considered on its merits and should not be an obstacle to the settlement as to control of natural resources between the Dominion government and the government of the province of Alberta.

3. Answered by the answers to Nos. 1 and 2.

4. Answered by the answers to Nos. 1 and 2.

BOOT AND SHOE IMPORTS

Mr. PREVOST:

What was the total amount of boots and shoes imported into Canada during each of the years 1914, 1918, 1919, 1920, 1921, 1922, 1923 and 1924?

Hon. Mr. LOW:

IMPORTS OF BOOTS AND SHOES INTO CANADA (NOT INCLUDING RUBBER GOODS)

Classification		Fiscal Years Ended March 31							
		1914	1918	1919	1920	1921	1922	1923	1924
Boots and shoes, pegged or wire fastened, with unstitched soles, close edged	Pair	.....	.....	.....	.....	.....	.....	8,564	8,677
	$	120,024	14,430	15,417	19,969	24,912	11,214	15,830	17,029
Boots and shoes, slippers and insoles of leather, n.o.p.	$	4,229,563	3,164,708	2,694,106	2,711,622	2,175,209	1,327,561	.....	.....
Boots, shoes and slippers with leather uppers, n.o.p., men's (sizes 5½ and up)	Pair	.....	.....	.....	.....	.....	.....	174,837	289,100
	$	.....	.....	.....	.....	.....	.....	560,864	818,400
Boots, shoes and slippers with leather uppers, n.o.p., women's (sizes 2½ and up)	Pair	.....	.....	.....	.....	.....	.....	198,299	239,527
	$	.....	.....	.....	.....	.....	.....	597,295	642,474
Boots, shoes and slippers with leather uppers, n.o.p., children's (all other sizes)	Pair	.....	.....	.....	.....	.....	.....	39,344	79,596
	$	.....	.....	.....	.....	.....	.....	46,745	68,273
Boots, shoes, slippers and insoles of all kinds, except rubber and leather	$	317,644	414,822	300,364	434,262	524,555	243,922	.....	.....
Boots and shoes with canvas uppers	Pair	.....	.....	.....	.....	.....	.....	150,388	130,851
	$	.....	.....	.....	.....	.....	.....	197,160	152,133
Boots shoes and slippers with felt uppers	Pair	.....	.....	.....	.....	.....	.....	99,070	150,869
	$	.....	.....	.....	.....	.....	.....	73,639	105,160
Boots, shoes and slippers of all kinds, except canvas, felt, rubber and leather	$	.....	.....	.....	.....	.....	.....	157,384	170,004
Insoles of all kinds	$	.....	.....	.....	.....	.....	.....	42,037	28,837

HALIFAX ELEVATOR

Hon. Mr. STEVENS:

1. Who prepared plans for the Halifax elevator, and what was the engineer's estimate of cost?
2. Were tenders called for the erection of said elevator, and, if so, in what manner?
3. How many firms tendered, and what are the names of such firms or individuals?
4. What was the amount of the lowest tender?
5. At what figure was the contract awarded, and to whom?
6. What is the total cost to date, based on engineer's approved certificates?
7. How much has actually been paid to said contractor?
8. Has contract been completed? If not, what still remains unfinished?

Hon. Mr. LOW:

1. John S. Metcalf Co., Ltd., Montreal. The engineer's estimate of cost was $620,000.

2. Yes, by advertisement in the public press.

3. Six: E. G. M. Cape & Co., Montreal, Atlas Construction Co., Ltd., Montreal, Barnett McQueen Construction Co., Ltd., Fort William, Ont., The Anglin Norcross, Ltd., Montreal, Macdonald Engineering Co. of Canada, Ltd., Toronto, Keefe Construction Co,. Halifax, N.S.

4. $599,800.

5. E. G. M. Cape and Company, Montreal, $599,800.

6. The only payment made to date, on account of this elevator, is $196.30, for advertising.

7. Nothing.

8. The contract has only recently been let, and no progress estimates have been received from the engineers yet.

"CANADIAN OPPORTUNITIES"

Mr. CAMPBELL:

1. Does any department of the federal government contribute to the support of the magazine known as "Canadian Opportunities," published in Toronto?
2. Does the Canadian National Railways make any financial contribution to this publication?

Hon. Mr. COPP:

1. The Department of Immigration and Colonization has a six months' contract for 1,000 copies per month of "Canadian Opportunities". These are distributed among the agencies of the department in the United Kingdom, Ireland, the United States, and the offices on the continent of Europe. The contract expires in March.

2. The Canadian National Railways make no financial contribution to the said publication.

IMPORTS UNDER BRITISH PREFERENCE

Mr. DUFF:

1. What was the value of goods imported into Canada from Great Britain under the preferential tariff, during the year 1923 and the year 1924, respectively, through Canadian ports?
2. What was the value of goods imported into Canada from Great Britain under the preferential tariff, during the years 1923 and 1924, respectively, through United States ports, but destined for Canada?

Hon. Mr. LOW:

1. and 2. Prior to the fiscal year 1923-24, no separate statistics of the imports of goods from the United Kingdom through the United States, subject to preferential tariff, was kept. The imports under preferential tariff during 1923-24 and all imports during 1922-23 and 1923-24, were as follows:

Imports into Canada from the United Kingdom.
(Fiscal years ended March 31, 1923 and 1924)

	1923	1924
Total imports from United Kingdom	$ 141,330,143	$ 153,586,690
Imports from United Kingdom through United States.	2,914,881	932,224
Imports from United Kingdom through Canadian ports	138,415,262	152,654,466
Imports from United Kingdom under preferential.	93,554,415	102,944,427
Imports from United Kingdom under preferential tariff through United States	(a)	811,749
Imports from United Kingdom under preferential tariff through Canadian ports	(a)	102,132,678

(a) Not compiled prior to 1924.

GRAIN TESTING LABORATORY

Mr. GOULD:

1. Is the grain testing laboratory at Winnipeg still in operation?
2. If so, who is in charge of it, and what staff is employed?
3. If not, when was it closed?
4. What changes have been made in the staff in the years 1922, 1923 and 1924?
5. Has any report of the work of the laboratory been submitted by Dr. Birchard during the years 1922, 1923 and 1924?
6. If so, are the reports available to members of the House?

Hon. Mr. LOW:

1. Yes.

2. Dr. F. J. Birchard.

3. Answered by No. 1.

4. Changes in staff in 1922:

Herbert A. Watson re-employed as junior chemist at $160 per month from May 8, 1922, to October 1, 1922.

Andrew Cairns re-employed as junior chemist at $1,680 per annum, April 18, 1922, resigned September 30, 1922.

S. M. Allman (R.S.) employed as a labourer at $4.50 per day from May 1922.

Geo. McDonald employed as a labourer at $4.50 per day for 20 days during June and July, 1922.

W. Symes employed as a labourer at $4.50 per day during June, July and August, 1922.

Changes in staff in 1923:

S. M. Allman employed as junior cerealist from July 1, 1923, at $5 per day.

T. R. Aitken (O.A.S.) employed as junior chemist at $140 per month from September 20, 1923.

Andrew Cairns re-employed as assistant chemist at $175 per month from May 21, 1923. Resigned September 13, 1923.

H. F. Bill, junior chemist, at $1,800 per annum, resigned March 3, 1923.

Herbert A. Watson re-employed as junior chemist at $160 per month from May 1, 1923. Resigned September 30, 1923.

George Ward employed as a labourer at $4.50 per day for 17 days in September, 1923.

Changes in staff in 1924:

The services of the following were dispensed with on March 31st, 1924:

T. R. Aitken (O.A.S.), junior chemist at $140 per month.

S. M. Allman (R.S.), junior cerealist at $5 per day.

Miss A. C. Lamb, clerk stenographer at $1,140 per annum.

Mrs. Tate employed as stenographer for 30 days at $90 per month, to assist in preparation of report.

5. One report of a special nature was received in 1924.

6. The special report referred to has not yet been printed. It was referred to Dr. H. M. Tory, Chairman of the Honorary Advisory Council for Scientific and Industrial Research, for consideration as to the value and practicability of the work covered therein. This report is at present in the possession of the Research Council, and has not yet been returned to this department.

CANADIAN GOVERNMENT MERCHANT MARINE

Mr. BOYS:

1. How many ships are there in the Canadian Government Merchant Marine?

2. What are the name, tonnage, length, capacity and horse-power of each?

Hon. Mr. GRAHAM:

1. Fifty-seven.

2.

Name of Steamer	Tonnage			Cargo Capacity Cubic Feet			
	Gross	Net	Dead Weight	Perpendiculars	Grain	Bale	Horse Power
				Ft. In.			
Canadian Constructor	7,178	4,413	10,687	430 0	525,792	469,880	4,000
" Cruiser	7,178	4,413	10,682	430 0	525,792	469,880	4,000
" Britisher	5,370	3,244	8,320	400 3	419,013	389,395	3,000
" Challenger	4,439	3,331	8,422	399 7	433,085	390,126	3,000
" Commander	5,493	3,347	8,439	400 0	424,242	387,142	3,000
" Conqueror	5,448	3,336	8,407	400 0	424,242	387,142	3,000
" Explorer	5,408	3,321	8,341	399 6	422,324	385,588	3,000
" Freighter	5,466	3,357	8,347	399 4	421,042	376,129	3,000
" Highlander	5,370	3,260	8,449	399 0	426,633	403,454	3,000
" Importer	5,465	3,400	8,381	399 4	437,580	388,720	3,000
" Inventor	5,497	3,384	8,350	399 4	438,070	389,170	3,000
" Leader	5,492	3,342	8,455	399 6	424,242	387,142	3,000
" Mariner	5,384	3,311	8,340	400 0	422,324	385,588	3,000
" Miller	5,439	3,336	8,390	399 7	438,347	394,953	3,000
" Pioneer	5,758	3,548	8,408	400 0	436,495	394,158	3,000
" Planter	5,399	3,333	9,399	399 7	438,347	394,953	3,000
" Prospector	5,492	3,380	8,367	399 4	438,070	389,170	3,000
" Ranger	5,752	3,551	8,382	400 0	436,495	394,158	3,000
" Scottish	5,334	3,242	8,305	400 0	419,013	389,395	3,000
" Seigneur	5,757	3,554	9,391	400 0	438,347	394,953	3,000
" Skirmisher	5,373	3,278	8,424	399 4	413,540	371,680	3,000
" Spinner	5,407	3,331	8,393	399 2	438,347	394,953	3,000
" Transporter	5,458	3,352	8,356	399 4	421,042	376,129	3,000
" Traveller	5,443	3,363	8,439	399 2	424,221	385,859	3,000
" Victor	5,454	3,340	8,433	399 7	424,242	387,142	3,000
" Winner	5,482	3,375	8,407	400 0	436,495	394,158	3,000
" Aviator	3,388	2,057	5,166	330 6	259,446	241,105	2,500
" Fisher	3,687	2,200	5,100	331 0	182,200	164,200	2,500
" Forester	3,673	2,192	5,100	331 0	182,200	164,200	2,500
" Hunter	3,610	2,169	5,021	331 0	239,531	224,130	2,500
" Raider	3,384	2,052	5,181	330 6	255,246	237,205	2,500
" Rancher	3,551	2,159	4,892	331 2	234,761	220,138	2,500
" Settler	3,548	2,155	4,918	331 0	236,936	227,212	2,500
" Trapper	3,600	2,183	5,054	330 10	238,961	224,038	2,500

2—*Concluded.*

Name of Steamer	Tonnage			Cargo Capacity Cubic Feet			
	Gross	Net	Dead Weight	Perpendiculars	Grain	Bale	Horse Power
				Ft. In.			
Canadian Carrier	3,101	1,908	4,620	320 0	194,463	173,102	1,900
" Otter	3,096	1,887	4,555	320 0	223,840	200,172	1,900
" Runner	3,091	1,812	4,573	320 0	223,840	200,172	1,900
" Squatter	3,091	1,900	4,554	320 0	223,840	200,172	1,900
" Trooper	3,180	1,953	4,540	319 6	226,877	210,782	1,700
" Volunteer	3,188	1,910	4,496	319 6	224,056	201,797	1,700
" Voyageur	3,099	1,868	4,575	319 0	226,877	210,782	1,700
" Beaver	2,410	1,415	3,973	251 0	176,680	161,250	1,300
" Coaster	2,422	1,464	3,939	251 0	176,967	161,842	1,300
" Farmer	2,410	1,451	3,964	251 0	176,680	161,250	1,300
" Gunner	2,415	1,455	3,978	251 0	176,680	161,250	1,300
" Harvester	2,394	1,428	4,000	251 0	166,969	149,223	1,300
" Observer	2,410	1,460	3,982	251 0	176,680	161,250	1,300
" Rover	2,422	1,464	3,920	251 0	176,967	161,842	1,300
" Signaller	2,415	1,455	3,975	251 0	177,820	164,770	1,300
" Warrior	2,409	1,453	3,995	251 0	177,820	164,770	1,300
" Adventurer	2,082	1,182	3,408	251 0	155,686	143,295	1,200
" Engineer	2,281	1,317	3,678	251 0	172,000	160,800	1,300
" Pathfinder	2,374	1,398	3,640	251 0	172,000	160,800	1,300
" Sailor	2,186	1,283	3,357	251 0	147,408	145,131	1,200
" Sower	2,082	1,182	3,406	251 0	155,686	143,295	1,200
" Trader	2,186	1,283	3,341	251 0	147,408	145,131	1,200
" Sapper	1,766	1,043	2,781	270 0	118,806	111,269	1,000

SHEDIAC POST OFFICE

Mr. BOYS:

1. Has the government recently acquired a site for a post office in the town of Shediac, Westmorland county?

2. If so, from whom, on what date, and for what consideration?

3. What quantity of land was acquired, and what is the description of same?

Hon. Mr. KING (Kootenay):

1. Yes.

2. From Mr. A. F. LeBlanc on the 7th January, 1925, for the sum of $8,000, i.e. $7,000 cash and conveyance to Mr. LeBlanc of lot already purchased by the department in 1913.

3. Site on corner of Main and Victoria streets, described as follows:

All that certain piece or parcel of land situate in the town of Shediac in the county of Westmorland, and bounded and described as follows: Commencing at the north-west corner of Victoria street where it joins Main street or the Intercolonial Railway lands, thence southerly along said street to a point fifty feet south of the main building, being one hundred and seventy-nine feet from the north side line of land of George W. Tait; thence westerly parallel with said Tait's north side line until it strikes the easterly side line of land formerly owned by Louis Comeau, thence northerly along said eastern side line to the Intercolonial Railway lands; thence easterly along said railway lands to the place of beginning.

Note: Lot about 150 feet by 150 feet, with three-storey frame building.

[Mr. Graham.]

LORETTEVILLE POST OFFICE

Mr. BOYS:

1. Has the government recently acquired a site for a post office in Loretteville, Quebec?

2. If so, from whom, at what price, what was the date of purchase, and what is the description of land?

3. Was a site previously purchased by a former government for a like purpose?

4. If so, when, from whom and at what price?

5. Does the government still own the last mentioned site?

6. If so, why was it not used?

Hon. Mr. KING (Kootenay):

1. Yes.

2. (a) From Mr. A. Savard on the 20th October, 1923, for the sum of $4,800.

(b) It is known as lot No. 708 of the official cadastre for the parish of St. Ambroise de Lorette, and is bounded as follows: To the north by lot No. 706; to the south by the main road; to the west by lot No. 709; and to the east by lot No. 707. The following are the metes and bounds:

Starting at a point A as shown on the accompanying plan and situated on the south-west corner of the said property said point being the intersection of the division line between lots 708 and 709 with the main road and running in a north-westerly direction to a point B for a distance of one hundred and five feet (105') direction N-25 degrees 40' W. Thence from the point B to a point C in a north-easterly direction for a distance of fifty seven feet and ten inches, direction N-67 degrees 00' E. thence from point C to point D in a south-easterly direction for a distance of one

hundred and three feet in a direction S-25 degrees 00′ E; thence from point D to the starting point A along the main road running in a south-westerly direction for a distance of fifty-six feet six inches in a direction S-65 degrees 00′ E. The whole forming an area of five thousand nine hundred and forty feet English measure more or less. Note: The directions are magnetic.

3. Yes.

4. 21st August 1913, from Mr. Joseph Renaud for $2,250.

5. Yes.

6. Renaud property not suitably located for post office purposes.

GASOLINE TAX

Mr. CHURCH:

1. Has the attention of the government been called to a proposed bill to place a tax of three cents a gallon on gasoline by the Ontario government?

2. If so, will the government look into the legality of such a tax in view of the large grants made to the province for good roads, and as to whether the said tax is not ultra vires of the province under trade and commerce section 91 of the British North America Act, and on other grounds?

3. What has been done to meet the Ontario government and co-ordinate federal and provincial taxation to prevent duplication and overlapping on income, amusement and other forms of taxation since last session?

4. What grants towards good roads have been made the province of Ontario during the past fourteen years?

Right Hon. Mr. MACKENZIE KING: I would direct attention to the fact that there are really three or four subjects dealt with in this question. The answer to the first question is no. In respect to the other three I would suggest that if the hon. member (Mr. Church) desires to have them answered he put them in the form of separate questions.

Mr. DEPUTY SPEAKER: Stand for amendment.

Mr. MACKENZIE KING: No, answered.

IMMIGRATION EXPENDITURE

Mr. CHURCH:

How much money was spent on immigration during the past four years,—(a) From the British Isles; (b) from the United States; (c) from the continent of Europe?

Hon. Mr. ROBB:

	(a) British Isles	(b) United States	(c) Continent of Europe
1921–22	$ 302,373 04	$ 419,956 92	$.....
1922–23	332,610 09	525,363 90	51,353 54
1923–24	523,318 03	549,355 76	87,711 15
*1924-25	473,968 45	224,281 63	68,780 99
Totals	$1,632,269 61	$1,718,958 21	$207,845 68

* 9 Mos. (April 1 to December 31).

OLD AGE PENSIONS

Hon. Mr. STEVENS:

1. Is it the intention of the government to bring in a measure this session providing for old age pensions?

2. Has the government received any representations from any provincial government of Canada, offering to bear a portion of the cost of old age pensions? If so, from what province?

Hon. Mr. MURDOCK:

1. The matter is under consideration.

2. No.

Mr. DESLAURIERS:

1. Has the government communicated with the provincial governments in connection with the old age pension scheme, which was recommended to the House in a report brought down July 1, 1924?

2. If so, what was the result of these communications?

3. If not, has the government decided to do anything during the present session as suggested by the report?

Hon. Mr. MURDOCK:

1. Yes.

2. British Columbia. A resolution was adopted by the legislature approving of the principle of old age pensions and advising the enactment of legislation by the Dominion government to bring the same into effect; the government of British Columbia also expressed the opinion that the matter of old age pensions was one entirely in the sphere of the federal parliament.

Alberta. Consideration promised.

Saskatchewan. The reply of the provincial government spoke of the difficulty of adopting any suitable scheme of old age pensions by provincial enactment alone, and referred to the differences in climate between the various provinces as rendering a joint scheme between the Dominion and the provinces difficult of attainment. The opinion of the provincial government was that an old age pension scheme for Canada could best be adopted by the federal authorities alone.

Manitoba. Promised consideration.

Ontario. Promised consideration.

Nova Scotia. Promised consideration.

Quebec. The provincial government intimated in its reply its inability to comply with the proposals of the Old Age Pensions committee.

New Brunswick. No reply has been received as yet.

3. The matter is under consideration.

SALES TAX REBATES

Sir HENRY DRAYTON:

By a return dated February 21, 1925, to an order of the House dated July 3, 1924, it is shown that as of date October 16, 1924, out of a total number of

4,486 claims for rebates of sales taxes, 1,907 claims had been checked and paid, leaving 2,563 claims outstanding. How many of these outstanding claims have been checked since the date given in the said return, and how much money has been paid thereon?

Right Hon. Mr. MACKENZIE KING: It would take some time to answer this question. I suggest to my hon. friend that it be made an order for return.

Sir HENRY DRAYTON: There is no objection to its standing if we can get the information. The answer should be very short, and I think it should stand as a question.

Mr. MACKENZIE KING: Well, it can stand as a question, but I am informed by the department that it will take some little time to get the information.

Question stands.

BOARD OF GRAIN APPEAL

Mr. COOTE:

1. Has a board of grain appeal, as provided for in Section 102 of the Canada Grain Act, been appointed?
2. If so, what are the names, addresses and occupations of the members of the said board?

Hon. Mr. LOW:

1. No.

2. Answered by No. 1.

GRAIN STANDARDS BOARD

Mr. COOTE:

1. What are the (a) names, addresses and (b) occupations of the members of the Grain Standards Board?
2. What are the (a) names, addresses and (b) occupations of the members of the several grain survey boards appointed under the authority of the Canada Grain Act?

Hon. Mr. LOW:

1. (a) Western Division: Peter Ferguson, Tate, Sask.; R. J. Phin, Moosomin, Sask.; Jas. Riddell, Rosebank, Man.; D. W. McCuaig, Portage la Prairie, Man.; Hon. W. R. Motherwell, Regina, Sask.; K. Campbell, Brandon, Man., (Chairman); W. A. Matheson, Winnipeg, Man.; W. A. Black, Montreal, P.Q.; G. R. Crowe, Winnipeg, Man.; M. McLaughlin, Toronto, Ont.; W. H. Fairfield, Lethbridge, Alta; C. B. Watts, Toronto, Ont.; John McFarland, Strathcona, Alta; D. Horn, Winnipeg, Man.; T. A. Crerar, Winnipeg, Man.; D. D. Young, Winnipeg, Man.; C. Tilt, Winnipeg, Man.; Andrew Kelly, Winnipeg, Man.; Donald MacRae, Regina, Sask.; W. J. Rutherford, Saskatoon, Sask.; J. Maharg, Moose Jaw, Sask.; A. E. Wilson, Indian Head, Sask.; T. O. King, Raymond, Alta; C. N. Bell, Secretary, Winnipeg, Man.

Eastern Division: John Carrick, H. H. Goode, F. W. Hay, A. O. Hogg, R. I. Braiden, H. L. Rice, C. B. Watts, M. Doherty, S. Hisey, F. G. Morley (Secretary), Toronto, Ont.; H. D. Dwyer, Jos. Quintal, A. P. Stewart, Norman Wight, J. S. Cook (Secretary), Montreal, Que.

(b) No information.

2. (a) Winnipeg: G. V. Hastings, G. R. Crowe, D. D. Young, W. M. McMillan, W. A. Matheson, W. L. Parrish, W. H. McWilliams, F. N. McLaren, T. G. Thompson, J. C. Gage, W. R. Bawlf, W. Harriot, D. Horn, C. N. Belle (Secretary).

Calgary: C. W. Roemisch, Angus C. Robertson, C. M. Hall, J. Munson, W. W. Cumming. Arthur Pierson, D. L. McLean, D. O. McHugh (Secretary).

Toronto: D. Plewes, John Carrick, D. O. Ellis, A. O. Hogg, H. H. Goode, D. A. Campbell, S. Hisey, C. B. Watts, R. I. Braiden, F. G. Morley (Secretary).

Montreal: C. B. Esdaile, A. G. Burton, H. C. Dyer, E. S. Jacques, Jos. Quintal, Thos. Reeves, J. S. Cook (Secretary).

(b) No information.

SASKATOON POST OFFICE SITE

Mr. CARROLL:

1. In what year was the site for a post office in Saskatoon purchased and at what price?
2. Is the site considered a convenient one for the purpose?

Hon. Mr. KING (Kootenay):

1. (a) 1914.
   (b) $122,500.

2. When the property was purchased the city of Saskatoon was growing rapidly and had this continued, the site would have been an excellent one. The site at present is just outside what is considered as the boundary of the business section. It is across the street from the city hall.

PRINCE RUPERT POST OFFICE SITE

Mr. CARROLL:

1. When was the site for a post office in Prince Rupert purchased?
2. What was the purchase price?
3. How much money was spent in excavating the basement?
4. How much money was spent in pumping water out of the basement?
5. Is the site regarded as an advantageous one for post office purposes?
6. If not, why?
7. Was an offer made in 1924 for the purchase of this property?
8. If so, what amount was offered?

Hon. Mr. KING (Kootenay):

1. 1913.
2. $95,000.
3. $18,763.35.
4. $1,197.07

5 and 6. No, as it is not a corner site and there is a cliff of rock which would prevent access at the rear of the building.

7. Yes.

8. $18,000.

ESQUIMALT DRY DOCK

Mr. STORK:

1. In what year was a site for a dry dock at Lang's Cove, Esquimalt, British Columbia, acquired?

2. What price was paid for the site?

3. Was the site made use of in the present construction of the Victoria dry dock?

4. Was any other property acquired for dry dock purposes at Esquimalt, British Columbia, and what price was paid?

Hon. Mr. KING (Kootenay):

1. 1914.

2. $346,221.25.

3. No.

4. Yes, at Skinners' Cove. $53,136.60.

STOME & SMITHSEN CONTRACT

Mr. ARTHURS:

1. Was a contract awarded lately to Messrs. Stome & Smithsen of Winnipeg, for the hauling of parcels, etc., from the customs house in Winnipeg?

2. If so, was this contract for a period of years, and if so, for what number of years?

3. Were tenders called for by advertisement in the usual way?

4. Were returned soldiers given the preference in the awarding of this contract?

5. On whose recommendation was the contract awarded?

6. Is the government aware that the successful tenderers have had no previous experience in this line of work, and had no equipment and were not returned soldiers?

7. Was the government aware that Messrs. Smithsen and Stome were Vice-President and Secretary of the North Winnipeg Liberal Association?

Right Hon. Mr. MACKENZIE KING (for the Minister of Customs and Excise):

1. Contract was awarded to Mr. Charles Smithsen.

2, 3, 4, 6 and 7. No.

5. The Honourable the Minister of Customs and Excise.

PENSIONS COMMITTEE

Mr. ARTHURS:

1. Is it the intention of the government to have a special committee on pensions this year?

2. If not, does the government intend to reintroduce the amendments passed by this House last session of parliament?

Right Hon. Mr. MACKENZIE KING: This question was answered, I think, on the last question day. Dropped.

Mr. MEIGHEN: The first question was answered, but not the second.

Mr. MACKENZIE KING: I can answer the second by saying that the matter is under consideration.

IMMIGRATION CANTEEN—QUEBEC

Mr. LAVIGUEUR:

1. What was the cost in salaries and other expenditures for the management of the canteen and restaurant of the Department of Immigration at Quebec, during each of the years 1922, 1923 and 1924?

2. What were the number and names of employees detailed for that service for said years, and what was the salary of each?

3. By whom were these persons recommended?

4. How many officials employed by the Department of Immigration at Quebec were placed temporary at the service of these two organizations?

5. Did the said canteen and restaurant show a profit or deficit and what amount, during the year 1924?

Hon. Mr. ROBB:

1. The canteen and restaurant in the Immigration building at Quebec were not conducted by the department in 1922 and 1923, being in the hands of a private individual who engaged his own help and purchased his supplies. In 1924 the canteen and restaurant were under the control of the department. The salaries for the season totalled $13,713.24, while the other expenses, including the purchase of provisions, etc., amounted to $27,836.98.

2. 41 employees as follows:—P. W. Dugal, $4,000 for the season; and the following at the rate per month given: A. Dumais, $150; D. C. Addie, $125; A. Gauvin and E. Riverin, $100; C. Sampson, $85; A. Brousseau, $75; J. Dugal, $70; C. Legace, G. Jones, Miss P. Bourgeois and Miss R. A. Talbot, $60; Mrs. M. L. Boutet, Miss M. Goderich, E. Dostie and Miss S. Apter, $50; Mrs. A. Laplante, A. Laplante, Mrs. M. R. Boutet, Mrs. Ditney, Miss G. Ranson, Miss R. Langlais, Miss J. Dube, Miss M. Paradis, Miss M. A. Lebel, A. Coulombe, R. Clermont, A. McKinnon, Miss B. McDonald, Miss H. Mansbridge, Miss B. Robertson, Miss A. Laughlan, J. Laveau, A. Demeule, Miss E. Vincent, Mrs. Dermeny, Mrs. Nadeau, Mrs. Witing and Mrs. J. Gallachan, $40; F. Doucet and Mrs. Boucher, $35. A number of these were not employed during the entire season but were engaged for short periods only. Extra help was employed by the day when required.

3. Not recommended by anyone. Mr. Dugal, the caterer, in charge, was selected on account of his experience and ability in the catering line and he was given full control regarding the staff and purchase of supplies.

4. None.

5. Deficit of $178.07.

CANADIAN WHEAT IN BOND

Mr. McTAGGART:

How many bushels of Canadian grown wheat were milled in bond in the United States during the years 1923 and 1924?

Right Hon. Mr. MACKENZIE KING (for the Minister of Customs and Excise): No information available.

REJECTED IMMIGRANTS

Mr. ANDERSON:

1. How many immigrants were denied admission into Canada during the calendar years of 1923 and 1924 respectively?
2. How many were turned back during the same years respectively because of (a) mental deficiency; (b) physical disability?
3. How many were denied admission on account of (a) venereal disease; (b) primary syphilis; (c) tertiary syphilis; (d) how many of each from continental Europe?

Hon. Mr. ROBB:

1. 1923, 11,870; 1924, 11,324. These figures include both the ocean ports and International Boundary.
2. (a) 91; (b) 182.
3. (a), (b), (c), None; (d) Answered by (a), (b) and (c).

CANADIAN NATIONAL RAILWAYS—KAMLOOPS-KELOWNA BRANCH

Mr. STIRLING:

1. Have the negotiations between the Canadian National Railways and the Canadian Pacific Railway, with regard to Kamloops-Kelowna branch been completed?
2. If so, with what result?
3. Is the construction at present proceeding between Campbell creek and Armstrong to be continued to Vernon, Lumby and Kelowna?
4. If so, at what date will the construction of these various portions be completed?

Hon. Mr. GRAHAM:

A formal agreement is now in course of preparation which will give the Canadian National Railways running rights over the Canadian Pacific Railway tracks between Kamloops and Campbell creek (about twelve miles), and between Armstrong and Vernon (about twelve miles), and will also give the Canadian Pacific running rights over the Canadian National rails between Vernon and Lumby, and between Vernon and Kelowna, as soon as the latter stretches are completed.

Meanwhile, until the agreement is formally executed, the Canadian National Railways have tentatively secured running rights between Kamloops and Campbell creek for their construction trains.

There are at present completed on the Kamloops-Kelowna-Lumby branches 101 miles of grade out of a total of 105 miles. This gap of four miles will be completed this year. It is also intended to lay track, and ballast this mileage, erect the necessary buildings, and generally finish the line by the end of 1925.

[Mr. McTaggart.]

GOLD AND BANK NOTE CIRCULATION

Mr. SPENCER:

1. During 1924, what was the monthly average total amount of gold held by the Department of Finance against the $226,002,627 of Dominion Notes issued?
2. What was the total amount of gold in all forms held by the Department of Finance in each of the past five years?
3. What was the total amount of bank notes in circulation in January, 1925?
4. What was the total amount of gold held by the banks for redemption of their notes during 1925?

Hon. Mr. ROBB:

1. Amount of gold held by the department against Dominion of Canada note issue:—

1924	
At January 31st	$102,858,880 45
At February 28th	102,016,282 23
At March 31st	98,809,085 54
At April 30th	96,996,664 91
At May 31st	96,986,774 97
At June 30th	96,732,954 17
At July 31st	97,052,221 03
At August 31st	97,517,480 50
At September 30th	97,870,884 64
At October 31st	123,131,010 77
At November 30th	138,462,626 10
At December 31st	138,705,075 74

2.

1920	$102,819,670 34
1921	88,234,072 45
1922	93,232,374 67
1923	123,805,921 03
1924	110,578,586 50

3. Figures not yet available.
4. Figures not available.

QUESTIONS PASSED AS ORDERS FOR RETURN

GOVERNMENT REVENUE AT TORONTO

Mr. CHURCH:

What were the total revenues of the government collected from Toronto during the past three years of record from, (a) customs and inland revenue; (b) post office (c) income and sales tax; and (e) other sources?

ONTARIO UNEMPLOYMENT

Mr. CHURCH:

1. Was any report received by the government from any mayors or municipal authorities in western Ontario to meet the government regarding the relief of unemployment, or any other application received for unemployment relief and from whom?
2. What correspondence was held with the municipal authorities aforesaid, and what replies were sent by the government?
3. Did the government decline to meet them?
4. If so, why, and were they notified not to come to Ottawa, and by whom?
5. Will the government afford the House an opportunity at an early date of discussing the whole subject of unemployment in Canada?
6. If so, when?

PUBLIC WORKS, BRITISH COLUMBIA

Mr. NEILL:

What is the cost when completed of the following public works, including in cases where the work is not completed estimated cost to finish: (1) dry dock at Esquimalt, Victoria; (2) post office building, Victoria; (3) outer wharf, Victoria; (4) floating dry dock, Vancouver; (5) Elevators, terminal facilities, wharves, and other properties of the Vancouver Harbour board; (6) post office, Vancouver; (7) floating dry dock, Prince Rupert; (8) government wharves and buildings, Prince Rupert?

SOLDIER SETTLERS, MANITOBA

Mr. BANCROFT:

1. How many soldier settlers in Manitoba were granted loans prior to December 31, 1924?
2. How many of these abandoned their farms prior to December 31, 1924?
3. How many of the farms abandoned in Manitoba were resold?
4. What was the average net loss on the farms in Manitoba thus resold, not including interest, taxes, costs of sales, etc.?
5. How many soldier settlers still on their farms in Manitoba were in arrears with payments on December 31, 1924, and to what extent?
6. On how many abandoned farms in Manitoba has no salvage sale of stock and equipment yet been held?

UNOPPOSED MOTIONS FOR PAPERS

CANADIAN NATIONAL RAILWAYS—SALARIES

Mr. HANSON (York-Sunbury) moved:

For a return showing by districts or regions the number of employees in each of the following classes and the average annual compensation for each employee of such class of the Canadian National Railways: receiving under $1,000 per year; receiving $1,000 per year or over but under $2,000; receiving $2,000 per year or over but under $3,000; receiving $3,000 per year or over but under $4,000; receiving $4,000 per year or over but under $5,000; and so on until all classes are complete.

Hon. GEORGE P. GRAHAM (Minister of Railways and Canals): If my hon. friend wishes to discuss this question, it cannot, of course, be discussed in this form; it will have to come under the regular motions for production of papers. I might say to him that it has been referred to the Canadian National management, and they take strong exception to answering questions of this character for public use.

Mr. HANSON: I would not like the question to be dropped without considering it a little further. Perhaps I could have a word with the minister about it.

Mr. GRAHAM: All right.

Motion stands.

SPILLERS ELEVATOR SITE—VANCOUVER

Mr. McQUARRIE (for Mr. Black, Yukon) moved:

For copy of all letters, telegrams, documents and correspondence, between January 1, 1922, and February 25, 1924, between R. H. Gale and any minister or official of the Dominion government; and, between R. H. Gale and the Vancouver Harbour Commission, and between Vancouver Harbour Commissioners and any minister or official of the Dominion government; and, between any representative of the Spillers interests and the Harbour Commissioners, and, or any minister of the Crown and official of the government, regarding the negotiations for lease or sale of certain waterfront property in the Vancouver harbour, upon which is now erected what is known as the Spillers elevator, and which property lies immediately east of the Vancouver Harbour Commissioners elevator No. 1. Also, copy of any letters, agreements, schedules of fees, assignments, transfers, and other documents appertaining thereto.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I do not think there is any objection to this motion passing, but in the absence of the minister I should be obliged if it could be permitted to stand.

Motion stands.

BRITISH EMBARGO ON CANADIAN POTATOES

Mr. McQUARRIE (for Mr. Hanson):

For a copy of all correspondence, documents, statements and communications between the government of Canada or the High Commissioner of Canada and the government of the United Kingdom or any department of the government of the United Kingdom or any officer thereof, relating to the imposition of an embargo by the government of the United Kingdom against Canadian potatoes.

DUTY ON ROLLING STOCK

Sir HENRY DRAYTON:

For a return showing the amount of duty paid by American railway companies on American rolling stock used in Canada during the past twenty-six years, by years; showing the names of such companies and the character of the rolling stock on which such duties were paid, and the amounts.

MILITARY DISTRICT NO. 10—COAL INQUIRY

Mr. ROSS (Kingston):

For a copy of all telegrams, letters, orders in council, evidence and report or reports, and other documents in connection with the investigation lately conducted by David Campbell, K.C., of Winnipeg, into the supplies of coal and other matters affecting Military District 10, and especially copies of telegrams passing between the Solicitor General and the said commissioner or counsel for the commission and between the Defence department and the commissioner or counsel for the commission.

Mr. ARTHURS:

For a copy of all accounts sent in to the government for payment for services rendered by Commissioner David Campbell, K.C., and D. R. MacLean, government counsel, during the enquiry into coal supplied at Tuxedo barracks, Winnipeg, together with a copy of all correspondence passing between the Solicitor General, or any other official of the government or any department thereof, and Messrs. Campbell and MacLean, or any other person or persons, in connection with said accounts.

CANADIAN NATIONAL RAILWAYS—CONTRACT FOR WATER

Mr. MARCILE (Bagot):

For a copy of all correspondence, letters, telegrams, reports and other documents sent by the superin-

tendents to the General Superintendent, President and First Vice-President of the Canadian National Railways, in connection with the granting of a contract for supplying water to the Canadian National Railways, including the Acton Vale station and the Acton Vale National Aqueduct and Power Company, represented by Mr. H. Begin, of Montreal. Also a copy of contract prepared and presented to be signed in the month of June, 1924. Also copy of contract as amended, copy of tenders sent by the city council of Acton Vale, for supplying water to the Canadian National Railways, as well as to the said station. Also all correspondence exchanged between the Canadian National officials and the officials of the city of Acton Vale, Board of Trade of the county of Bagot, and others.

RACE TRACK BETTING

MOTION BY MR. GOOD TO AMEND THE CRIMINAL CODE

Mr. W. C. GOOD (Brant) moved:

That, in the opinion of this House, the special privilege now given to Racing Associations under the Criminal Code of carrying on public gambling operations in connection with their race meetings is detrimental to the best interests of Canada and should be abolished.

He said: Mr. Speaker, the motion is seconded by Mr. Denis, the member for Joliette. The substance of this resolution is identical with that of the resolution presented by me two years ago. The question at once arises—and it is a question which I ought perhaps to anticipate and answer now—why am I bringing up the matter again this year? Those who were here last year will remember that I had the same resolution on the order paper last year, but owing to the fact that the government took private members' day very early in the session, the resolution was not reached at all. I am bringing it up this year for several fairly distinct reasons. In the first place, I am not very easily discouraged, I hope, by such a defeat as the motion had two years ago. I believe in following the well known motto: "If at first you don't succeed try, try again," and so long as I am able I wish to advance this cause in whatever way I can. I shall consider it not only a duty but a privilege to do so. I propose therefore to give the House an opportunity of dividing on the question again, and I sincerely hope that every hon. member of the House will feel it his duty and his privilege to express himself on this resolution.

I want also to say that I believe there was a misunderstanding two years ago in regard to a certain matter brought up in this connection by the then Minister of Justice, Sir Lomer Gouin, and I wish to deal specifically with that particular point because I hope that I can put it in such a way that there will not be any further misunderstanding. I desire therefore in that connection to draw the attention of hon. members to an extract from the Hansard of March 1, 1923, page 739, where in the course of his remarks on my resolution the then Minister of Justice said of me:

He quoted the Hon. Mr. Raney as his main authority, I would say, to justify his resolution.

I might comment just here to the effect that I did not quote Mr. Raney on that occasion as my chief authority. That, however is neither here nor there. Continuing—and this I would bring to the attention of the members particularly—he said:

I am not sure that I shall surprise the hon. member for Brant, but I may tell him this, that the Hon. Mr. Raney has never asked for any such amendment as the amendment my hon. friend now proposes to this House.

Mr. GRAHAM: When my hon. friend spoke of Mr. Raney was he referring to the then Attorney General of Ontario?

Mr. GOOD: Yes, to Hon. W. E. Raney, then Attorney General of Ontario. The hon. gentleman (Sir Lomer Gouin) went on to state that he had had correspondence with the Attorney General of Ontario in regard to a proposed amendment to the criminal code that had to do with the prohibition of the publication of racing information, and so on, and the correspondence is all here. Now, Mr. Speaker, I want to point this fact out to the House very definitely, and I hope there will not be any further misunderstanding; Mr. Raney for years asked for the amendment which I am advocating. But he did not ask for it in this particular correspondence that he had with the Minister of Justice, for the very good reason that the matter was then before the House in the resolution I then had on the order paper, and because the proposal which I made in the resolution dealt with a different matter entirely from the question which Mr. Raney was taking up with the then Minister of Justice. These two matters—the question of removing the special privilege which is now extended to racing associations and which is contained in sub-section 2 of section 235, and the question of forbidding the publication of racing information in our newspapers—are two entirely different questions. They are related of course to the one evil of gambling, but they are entirely different questions and should not by any manner of means be confused, and I hope that during the course of the present debate the two questions will be kept absolutely distinct.

I do not propose, Mr. Speaker, to repeat the argument of two years ago. The matter was very fully debated on that occasion, and

I consider that it would be quite needless to cover the ground again. I would, however, at this point desire to repeat the summary I then gave of the legislation dealing with this matter so as to refresh the memories of hon. gentlemen.

If we refer, therefore, at the outset, to the Revised Statutes of 1906 we find that sub-section 1, of section 235, made it an indictable offence punishable by one year's imprisonment and a fine not exceeding one thousand dollars:

(a) To use or knowingly allow premises to be used for betting.
(b) To keep, exhibit, employ or knowingly allow to be employed thereon any betting device.
(c) To become a stake holder, or
(d) To record or register a bet on an election, race or contest.

But by sub-section 2 these provisions were not to apply to bets between individuals or to those made on a race course of any incorporated racing association during a race meet. Now, there we have the indictment, if you like, under sub-section 1, and the exemption under sub-section 2. I referred two years ago to the very lengthy discussion which took place in 1910 in connection with the so-called Miller bill as a result of which there was an amendment, a compromise amendment, made to this section which re-enacted sub-section 1 of the foregoing section, and added to the list of offences therein contained by making it an offence:

(a) To engage in pool-selling, or book-making or the business of betting, or to make an agreement for the purchase or sale of betting privileges or of information intended to assist in betting.
(b) To advertise, print, publish, exhibit, post up, sell or supply, etc., or offer to sell or supply such information.
(c) To advertise, print, publish, exhibit, or post up any offer, invitation, or inducement to bet.
(d) To sell, transmit, deliver, or receive any message relating to book-making, pool-selling or betting.
(e) To aid or assist in the foregoing.

But the application of sub-section 1 was further limited by adding to sub-section 2 the provision that sub-section 1 should not apply—and I hope hon. members will listen to this carefully—to book-making, pool-making, betting or wagering upon such race course provided that such race meetings are not continued for longer than seven days or occur oftener than twice a year on such race course.

There was a further amendment in the year 1912, two years later, which re-enacted the foregoing sub-section 2, as amended, but limited the racing associations therein defined to those incorporated before March 20, 1912, and to any incorporated after that date by act of parliament or of the legislature of any province, and also for the first time permitted racing associations to sell information or privileges to assist in or enable the conducting of book-making, pool-selling, or betting, and so on, during the actual progress of a race meeting.

As a result of these two amendments—one in the year 1910 and the other in the year 1912—there was a general tightening up of the law against the keeping of what were defined as betting houses, and a general loosening up of the law as it applied to racing associations. That, I think, is a fair statement of the effect of those amendments. Now, in the year 1917, I think it was, an order in council was passed, to which I referred two years ago, wiping out these two exemptions for the duration of the war and I think a year afterwards—I have forgotten the exact dates; at all events this particular special privilege was wiped out by order in council in 1917 which order in council lapsed in January, 1920. During those three years this practice was discontinued, and I outlined to the House two years ago the effect of that discontinuance during the latter years of the war and for a year or two afterwards. About that time also the so-called Rutherford commission was appointed to go into this whole matter and report. As a result of that report there was a further amendment to the statutes in 1920 which re-enacted the foregoing sub-section as amended—that is sub-section 2—but limited the non-applicability of sub-section 1 to bets made on a race course through the agency of the pari-mutuel system, limiting the percentage which could be retained by a racing association out of the amount of any money paid or stake deposited with such association and of which it became the depository under the pari-mutuel system, and providing that the type of pari-mutuel machine should be approved by the Minister of Agriculture, and that he must be satisfied that a proper proportion of the gate receipts and of the percentage retained as above was given in purses for the horses racing.

The Statutes of 1922 made a few minor changes in sections 227 and 235. Instead of the words "between individuals" parliament inserted the words "between not more than ten individuals." There was also a specific exemption of race track operations permitted by the 1920 amendment. Two years ago there were also some further minor amendments to the law in this respect. Chapter 41, section 6 of the statutes of 1923 made a minor amendment to subsection 2 in respect of the percentage of the total amount of the stake which could be retained.

Such is a summary of the law dealing with this matter from the year 1906 to the present time.

I should like next to mention to the House that during the last two years there has been a notable increase in the number of tracks on which this race track gambling is being carried on. There are two more tracks in British Columbia, two more in Manitoba and two more in Ontario; and I think, as hon. members will have noted from the newspapers, there has been a very distinct increase in the handbook evil which is largely based on the racing and betting that goes on at the race meets. I have received, since the matter was first presented to the House two years ago, a great many unsolicited expressions of approval and appreciation of my action taken on that occasion, and expressions also of a desire that the matter should be kept to the fore, and that the House should deal with it again. I do not think it necessary to read any of these; I have them in my hand, quite a bunch of them as you will see, which have come from various organizations and places throughout the country. I may say also, Mr. Speaker, that two years ago I went to the races at Connaught Park to get first-hand information regarding the details of the pari-mutuel system. I was very hospitably and cordially entertained by the management, and taken in behind the scenes, and everything was explained to me in great detail. I appreciated this opportunity, but I may say that what I learned has only deepened my conviction as to the tremendous menace and evils of this special privilege granted these associations and which I am now asking parliament to take away from them.

I have something further to say in this connection, but I think it would be well for me to reserve it until the conclusion of the debate. I therefore leave the matter for the present in the hands of the House.

Mr. FRED STORK (Skeena): The resolution moved by the hon. member for Brant (Mr. Good) is one which I find myself unable to support, for the reason that it does not correct the evil. We remember that two years ago the hon. member for Laurier-Outremont (Sir Lomer Gouin), then minister of Justice, introduced, and this House passed, a bill designed to correct the evil of handbook betting. This measure, we all remember, was thrown out by the Senate. The resolution as presented by the hon. member for Brant deals entirely with betting which takes place upon the race tracks in the Dominion of Canada. It does not in any manner curtail the practice of betting on race tracks outside of Canada. In the Toronto Globe of last Saturday, on the front page, I find a very interesting article, which they feature in regard to the intimated legislation as outlined or forecast by the present Minister of Justice (Mr. Lapointe) in which he has intimated that he will at this session of parliament introduce a bill curtailing the evil of handbook betting. In that connection the Toronto Globe of Saturday says:

Inspector Raises Both Hands for Anti-Handbook Measure

Staff Official of Toronto Police Department Declares 90 Per Cent of Illegal Traffic Would Disappear Immediately Proposed Amendment Became Law.

An Effective Blow at Elusive Evil

If passed by parliament, the amendment to the Criminal Code to be presented to the House during the present session by Hon. Ernest Lapointe, Minister of Justice, will practically wipe out handbooking, according to Staff Inspector David McKinney of the Morality Department of the Toronto police force. While it may not meet entirely with the spirit of the resolution passed at the Chief Constables' convention in Vancouver in 1922, the amendment will be of great assistance to the police of the Dominion in suppressing the handbook, the inspector added, in an interview yesterday.

Hits at Base of Supply

The amendment which will be presented by the Minister of Justice would make a person guilty of an indictable offence who advertises, prints, publishes, exhibits, posts up, sells or supplies, or offers to sell or supply, other than on the premises of an association lawfully conducting race meetings in Canada, and during the actual progress of a race meeting thereon, any tips, selections, odds, winning money prices, pari-mutuel payments, or any similar intelligence with respect to or applicable to any horse race, whether such race be held within or without the Dominion of Canada.

There are some quotations here from the city of Hamilton as follows:

Representative clergymen and police officials here agree that legislation prohibiting the publication of betting odds will go far toward eradicating the handbook evil. Some of them said to-day the traffic quickly would collapse once such a law were enforced effectively.

Chief of Police David Coulter said: "Suppress the information, and the entire handbook evil collapses. People are not going to wager money on something they can find out nothing about. I have always advocated reformers going after legislation to this effect."

Rev. Dr. J. L. Alexander, First Congregational Church: "Suppress the information, and you take the nerve out of the tooth. Everybody knows, especially those sporting writers who may be affected, that it is the publicity given their writings which keeps the public interest up. Suppression of the racing tip and odds will go far to put the bookmaker out of business."

That shows, I think, that public opinion is very largely behind the attempt to put the handbook out of business in Canada. I pick up the morning paper published in Ottawa, and I find that, while there are to-day no

races being held in Canada, because at this season of the year, the race tracks are not operated, yet we find in all the principal daily papers of Canada there are three columns published of results of racing, and the morning paper says:

Racing on Three Tracks
Miami, New Orleans, Tia Juana

Now, surely the people of Canada have very little interest in the races being held away down in Tia Juana, Mexico. We have sporting events in this country. For instance when a hockey match takes place, the reporters are in the arena and write up every detail of the game as it proceeds. People who follow hockey as a sport get a very fair idea as to how the game is played. When a boat race takes place, the newspapers devote a great deal of space to detailing every feature of the race, and although we sit at home, we can practically visualise the contest from start to finish. The same is true as regards every other contest and sporting event throughout the world. Therefore, in the report of a horse race, we would like to see the race detailed so that one could get some information in regard to the quality of each horse and where he is placed; but I am fairly satisfied that the publication of the news as it appears in the race-track sheets is only for the purpose of carrying on handbook betting as it is carried on in this country. The sheet I hold in my hand is dated February 28, and in it is a list of results, which I will not detail, of the races of that date and then appear the entries for Monday. The details of the races which took place on the 28th give a complete list of the horses, the winners and also the also-rans. You would wonder why they print this in detail. People in this country are not very much interested in regard to races that take place outside of Canada, and I am satisfied that the object in view in printing this detailed information is that this is corroboration of exactly how the races went, so that those who won or lost their money have in this an authoritative report of what took place. There is a complete list for all three tracks outlining the activities that will take place there to-day, and to-morrow's paper will contain detailed information as to what horses won and what horses lost.

Before I take my seat, I hope to move an amendment which will attempt, at least, to correct this evil. The evil to-day is not that of the race-track as conducted in Canada. The crying evil that we have to-day is the practice of handbook betting. This amendment will, I hope, put out of business the resorts throughout Canada in which this trade and practice is carried on.

Mr. FORKE: In the paper publishing the results of those races and giving information as to future races, is there any report as to what the betting is on those races?

Mr. STORK: Yes. It is not necessary to destroy altogether a sport which many people in this country enjoy and appreciate. Horce racing is an honest and honourable sport. It has come down to us through unbroken centuries. We have to-day in England the great Derby day, and I am advised that when Derby day comes around, if the House of Commons in London is sitting the House adjourns to take in Derby day. Derby day and the other great races in England have become English institutions. Lord Rosebery, in his younger days, made three prophecies. He said that he would at some future time be Prime Minister of England; that he would marry the wealthiest woman in England; and that he would win the English Derby. He accomplished all of those three prophecies. He won the Derby three times: in 1894 with Ladas, in 1895 with Sir Vista, and in 1905 with Cicero. The English race-track has been an organized institution for the last two hundred years, and no one will say that it is a reprehensible organization or a bad practice. It is patronized by the very highest and best people in the empire. We find that royalty itself has patronized the race-track in England. We find that while Lord Rosebery succeeded in winning the Derby on three occasions, the Prince of Wales has also accomplished that feat. In 1896, the Prince of Wales won the Derby with his horse Persimmon, and in 1900 he won the Derby again with his horse Diamond Jubilee. In 1909, his Majesty King Edward VII, that prince of sportsmen, won the Derby with his horse Minoru.

Mr. BROWN: Perhaps, before the hon. member finishes his remarks in regard to the situation in England, he might explain the system under which betting is carried on in England.

Mr. STORK: I am not very familiar with the exact method by which betting is carried on there, but no one will deny the fact that betting does take place on the English Derby and on every other horse race carried on in that country.

Mr. WOODSWORTH: I rise to a point of order. Is it in order that any hon. member should bring in the conduct of members of the royal family in order to influence the process of this debate?

Mr. DEPUTY SPEAKER: The hon. member is proceeding very closely to a line which is not permitted in debate.

Mr. STORK: I understand that even the names of those high in authority in this country in regard to horse racing rankle in the breasts of some hon. members in this House. I believe there is a well defined place in the Dominion of Canada for a properly organized and operated race-track. When one views the race-tracks as we have them in this country, with the Woodbine, the Blue Bonnets and our own Connaught Park at Ottawa, I think they have a very necessary place in our public life. What more inspiring sight can one see than the beautiful lawns, flowers and spotless equipment upon these race-tracks?

Mr. GOOD: Does the hon. member imagine that I am assailing horse-racing?

Mr. STORK: I am just making a defence for the perpetuation of the king of sports in Canada. I have my misgivings as to the effect of the proposed resolution, and I am simply voicing my sentiments and stating that I for one, as a citizen of this country, desire to see the race tracks of Canada, an honourable, good and clean sport, perpetuated and not endangered by any hocus-pocus resolutions that may be engineered into this debate. I see no reason why the race tracks of Canada should not continue as they are. The horse has always held a great place in this Dominion. Even in the county of Brant and the city of Brantford there is a loving memory cherished of the late Mr. Cope Stinson with his wonderful horse Geneva. Some thirty years ago Geneva was one of the best, gamest horses that ever pulled a sulky around a race track. I maintain that horses and men have their place in the public as well as in the private life of Canada, inasmuch as, long after they have gone, their memory still survives. We have in this country men like Sir Adam Beck and Sir Clifford Sifton, with their stables of jumpers; and while it is true that the horses in these instances are the personal property of these men, at the same time the general public has a very lively interest in the animals and follows very keenly their performances. When we see men of the stamp of Commander J. K. L. Ross, the Hendries, the Seagrams, and all the other men who do so much for racing in this country, and when we think of the sportsmanlike character of every one of them, whose racing stables are a credit to the country, we are bound, I think, to come to the conclusion that they fill a very necessary place in the life of the country. I believe, therefore, that I am voicing the opinion of a great many people in the Dominion when I express my appreciation of this clean sport and of the inspiration it gives to the stock breeding of the country, as well as of the pleasure which is afforded the people generally. I have an amendment to submit to the House which I think will eliminate or at least correct the evils of handbook betting. I move:

That all the words after "that" in the resolution be struck out and the following be substituted therefor: "in the opinion of this House legislation should be introduced during this session to prohibit the advertising, printing, broadcasting, publication or sale of information concerning any tips, selections, odds, or any similar intelligence with respect to or applicable to horse racing, whether held within Canada or without, unless where supplied on a race track in Canada during the course of a race meeting legally held."

Mr. GOOD: I rise to a point of order. I question whether this amendment is relevant to the resolution which I have presented to the House. I am entirely in accord with the substance of the amendment so far as it goes, but in my opinion it deals with an entirely different matter from that dealt with by my resolution. I tried to indicate as clearly as possible in my opening remarks that I was altogether in sympathy with the proposal of the Minister of Justice (Mr. Lapointe) to take measures against the handbook evil. I would seriously question, however, whether the present motion can possibly be accepted as an amendment to my resolution. It deals with a different subject entirely, under a different part of the Criminal Code, and while I am in favour of it I do not think it touches the question I have raised in my resolution. If we voted on the amendment we should be discussing and deciding a question which is not relevant to the main motion, and it seems to me, therefore, out of order.

Mr. SHAW: I desire also to raise a point of order, not on the ground suggested by the hon. member for Brant (Mr. Good) but for another reason. If I understand the amendment correctly, the mover (Mr. Stork) seeks to anticipate the government's intention in regard to legislation on this matter, and consequently the amendment is out of order.

4 p.m.

Mr. DEPUTY SPEAKER: I do not think that the question whether the amendment anticipates forthcoming legislation is relevant. The amendment seeks the opinion of the House on the advisability of introducing legislation during the present session to prohibit the advertising, printing, broadcasting and publication of information, and so forth, in the matter of horse racing. The main motion has reference to:

—the special privilege now given to racing associations under the Criminal Code of carrying on public gambling operations in connection with their race meetings.

The question, it seems to me, is whether the proposed amendment relates to a different subject matter from that of the main motion which has been moved by the hon. member for Brant (Mr. Good). I rule that the amendment is in order.

Mr. GOOD: May I speak to your ruling, Mr. Speaker? I want to challenge that ruling.

Mr. DEPUTY SPEAKER: Do I understand that the hon. member for Brant desires to appeal from the ruling?

Mr. GOOD: Perhaps I am not as familiar with the rules as I should be. Is there any further discussion permissible on the appeal, Mr. Speaker?

Mr. DEPUTY SPEAKER: Not after the ruling. I asked if any other hon. member desired to speak to the point of order and no one spoke.

Mr. GOOD: I do feel that, for the reasons already stated, the House should have an opportunity of deciding whether in its opinion the proposed amendment is really an amendment to the resolution I have moved.

Mr. DEPUTY SPEAKER: Is it the hon. member's wish to appeal from the ruling?

Mr. GOOD: Yes, Mr. Speaker, so far as I am concerned; I desire to appeal to the judgment of the House.

Mr. CARROLL: May I point out that the hon. gentleman has not appealed to the House?

Mr. DEPUTY SPEAKER: Yes, he has intimated his desire to appeal.

Mr. CARROLL: But something else has to be done.

Mr. GOOD: I do not understand the hon. member's claim; I thought I had appealed to the House from the judgment of the Chair. However, I desire to make it plain that I do so now; I move, if I am in order in doing so, that the ruling of the Chair be not sustained.

The question having been put as follows:

Mr. Good having moved that the special privilege now given to racing associations under the Criminal Code be abolished, Mr. Stork moves in amendment that in the opinion of this House legislation should be introduced to prohibit the advertising, printing, broadcasting, publication or sale of information with respect to racing, etc. On a point of order being raised, the Speaker ruled that the amendment was relative and should be allowed. Mr. Good appeals from this ruling:

The House divided on the question: Shall the ruling of the Chair be sustained?

YEAS

Messrs.

Arthurs,
Beaubien,
Binette,
Black (Halifax),
Bouchard,
Bourrassa,
Bristol,
Carroll,
Carruthers,
Chevrier,
Chisholm,
Copp,
Davies,
Déchène,
Denis (St. Denis),
Desaulniers,
Descoteaux,
Desrochers,
Doucet,
Drayton (Sir Henry),
Fafard,
Finn,
Fiset (Sir Eugene),
Forke,
Forrester,
Fortier,
Fournier,
Gendron,
Graham,
Harris,
Hatfield,
Healy,
Hughes,
Hunt,
Johnston,
Kelly,
King (Kootenay),
Kyte,
Lapierre,
Lapointe,
Lovett,
Mackinnon,
MacLean (Prince, P.E.I.),
McConica,
McDonald (Temiskaming),
McGiverin,
McIsaac,
McKay,
McMurray,
McTaggart,
Marcil (Bonaventure),
Mewburn,
Michaud,
Motherwell,
Munro,
Murdock,
Papineau,
Pelletier,
Putnam,
Rankin,
Raymond,
Robb,
Robichaud,
St. Père,
Savard,
Sheard,
Sinclair (Queens, P.E.I.),
Snowball,
Stewart (Argenteuil),
Stewart (Hamilton),
Stork,
Tolmie,
Vien—73.

NAYS

Messrs.

Bancroft,
Baxter,
Bird,
Black (Yukon),
Bowen,
Brethen,
Brown,
Campbell,
Carmichael,
Chaplin,
Charters,
Clark,
Coote,
Denis (Joliette),
Drummond,
Elliott (Dundas),
Evans,
Findlay,
Gardiner,
Garland (Bow River),
Good,
Gould,
Grimmer,
Halbert,
Hanson,
Hocken,
Hodgins,
Hoey,
Hopkins,
Humphrey,
Irvine,
Jones,
Kennedy (Edmonton),
Kennedy (Glengarry & Stormont),
Kennedy (Port Arthur & Kenora),
King (Huron),
Knox,
Leader,
Lewis,
Lovie,
Macphail (Miss),
McBride,
McQuarrie,
Martell,
Meighen,
Millar,
Milne,
Morrison,
Neill,
Ross (Kingston),
Ross (Simcoe),
Senn,
Sexsmith,
Shaw,
Speakman,
Spencer,
Stansell,
Steedsman,
Stewart (Humboldt),
Stirling,
Sutherland,
Wallace,
Ward,
Warner,
Woods,
Woodsworth—66.

Ruling sustained.

Mr. DEPUTY SPEAKER: The ruling of the Chair having been sustained the debate will now continue, the question being upon the amendment.

Mr. R. J. WOODS (Dufferin): Mr. Speaker, I have no apology whatever to offer in supporting the resolution introduced by the hon. member for Brant (Mr. Good). The hon. member for Skeena (Mr. Stork) has advocated the ancient and honourable sport of horse racing. As I understand the resolution, the legislation we are asking for has nothing whatever to do with horse racing, outside of the feature of gambling. We are dealing with the gambling feature, not with racing or the testing of speed of horses, and this resolution if adopted by this parliament will not interfere with horse racing as a sport; will not interfere with the raising and breeding of pure-bred horses; will not interfere with any of our local horse racing affairs; but it will interfere with the system that is now in vogue of gambling through the pari-mutuel machines at the meets that are held from time to time.

To my mind this resolution is of the utmost importance because it reaches down to the very root of our national life. We are building up a young nation in this country. We boast of our natural resources, of our great manufacturing industries, of our vast potential wealth, and rightly so; but the greatest asset this country has is its young men and young women, and if we are going to build up a strong country we must build on the foundations of morality and honesty and industry. This practice of gambling is one that will to a great extent mar the morals of our young men and our young women, and lead them off into channels that are not the best for the development of their manhood and their womanhood. We are trying to safeguard the youth of our land in asking for this legislation. We safeguard by legislation the pedestrians as they walk by the way; we safeguard the traffic on the public highway; we safeguard, to some extent, the industries of our country; we safeguard our homes by providing police protection: but particularly should we lay stress, more than we have in the past, on safeguarding the youth of our land. To those who are grown up in years, to hon. members in this parliament possibly, it might not make such a great deal of difference whether they gamble or not; but it will make a difference in the character, in the outlook, and in the honesty possibly, of many of our citizens, the young men and the young women who are growing up and helping to build up this great nation.

We have behind this movement, Mr. Speaker, I believe the united forces of the great majority of the organized churches in this country. I believe that the vast majority of all organizations for moral reform in this Dominion are behind the movement, and we should take cognizance of that fact knowing that they are the organizations that have built up this country. There is nothing that has done so much to build up this country to what it is to-day as the Christian forces that have been at work in Canada. We owe our intellectual, moral and social progress largely to the Christian churches that are founded on the word of God. It is related that on one occasion Queen Victoria was asked upon what rested the great success of the British Empire, and she pointed to the word of God. Now, believing that we have behind us the vast majority of the Christian organizations, in my opinion we should support this legislation, which will cut out this evil.

The question might be asked, what does gambling accomplish? In the first place, we might note some things that gambling does not do. I believe in healthy sports; I believe in field sports that will develop the physical energies and powers of our young men and young women; I believe in every organization that will develop the intellectual forces of our youth. But what does gambling do? Does it develop our physical forces? Does it develop our mental forces? Does it develop our moral forces? Does it develop us into more honest and better citizens? Does it help to make us more energetic and more active in connection with the affairs of our country? It does not require much cleverness to bet on horses, or to engage in other forms of gambling. As for the results which follow from gambling they do not contribute to the elevation of human beings from a physical, moral or intellectual standpoint.

And what is the effort which underlies gambling? It is the effort to get something for nothing. When we seek to obtain money through the agency of gambling we endeavour to obtain profit through some other individual's loss and our exertions are not likely to benefit the community in the same way that they would if they were directed toward some laudable purpose. An individual who used a room in a house for gambling purposes, and collected a rake-off ostensibly to meet the cost of light or heat would be acting illegally and in the event of detection would become liable to the pains and penalties of the law. I remember a case of this kind which occurred not so very long ago. In that in-

tance the man used a certain room for gambling purposes and eight or ten men were caught there by the officer of the law. They were all brought before the court and fined. But why discriminate between one form of gambling and another? Why allow men to gamble on race courses when they are not allowed to gamble in gaming houses or in houses used for that purpose? If there is a form of gambling which is a menace to the entire community it is that which takes place on race tracks, and it would be in the national interest to make a clean sweep of all forms of gambling at once rather than to pass piecemeal legislation. I want to say that gambling creates thieves. I do not mean to say by any means that every individual who gambles is likely to develop into a thief; but there are numerous cases where men have not only spent the money which should have gone to the support of their wives and families, but also money which they stole from the tills of their employers. Let me read you some quotations along that line. Here is one from the Christian Guardian of January, 1924:

> Only a few days ago in Toronto we had a case of a trusted official of the Soldiers' Civil Re-establishment stealing $25,000 of the funds entrusted to him and losing it in gambling on horse races. Just a few days later in the same court we had two employees of the city registry office plead guilty to the theft of about $10,000 in one case and $4,500 in the other, and the money all went on the horses.

And not very long ago we read in the public press where a bank manager in the city of Hamilton had confessed to spending his all on horse racing and then had gone to the bank till and drawn out thousands of dollars —I believe the amount was approximately $60,000—and he said it had all gone on the horse races. It was also reported in the newspapers quite recently that Mr. Jones, a police magistrate in Toronto, referring to bookmaking had said: it was the hardest form of evil that the police of that city had to cope with. Permit me to read a further quotation illustrating the waste of money which occurred in gambling. This is the opinion of a Mr. Burgess, who is identified with an insurance company. He says:

> It has been my opinion for a great many years that the most serious cause of loss to fidelity companies through the dishonesty of employees in positions of trust is the gambling instinct engendered and fostered by the handbooks," he declared. "Nothing has caused the downfall of trusted employees more than the handbook. Fidelity losses were never so serious, and the one outstanding cause is the race track and the evils it creates in the shape of the handbook.

This particular evil has to do with handbooks, but all these forms of gambling are interwoven, and all should be swept out of existence.

Mr. CARROLL: If this resolution is crystallized into law and all this gambling prohibited, will it prevent my hon. friend and myself making a bet on the outcome of a horse race?

Mr. WOODS: No. As I understand it, I do not consider that it interferes with our local fairs where horses are racing and one individual wishes to bet with another. It is aimed at the legalized betting of the pari-mutuel and the rake-off system, in my view.

Mr. CARROLL: Would the amendment of my hon. friend from Skeena (Mr. Stork) do away with private betting?

Some hon. MEMBERS: No.

Mr. WOODS: No, it would not do away with the pari-mutuel. It would do away with the handbook as I understand it. I am pleased to note that the Minister of Justice is introducing legislation along that line. I commend him for his action. Such legislation was passed two sessions ago and thrown out by the Senate. We are delighted to have it before us again. It is a step in the right direction, but in my judgment it does not go far enough. In order to make it effective you have to go further. If you want to kill a rattlesnake, do not kill him piecemeal, but take his head off and get rid of him entirely. This race track gambling is an economic waste, and there is no question about it. We have in our country at the present time many unemployed. There may be among those many who have wasted their money. If you go into restaurants when races are being held across the river you get in touch with young men and women and hear them say "I was over at the races, I was betting and lost so much money". It is a common occurrence, no matter where you go in this city or any other city where horse races are being conducted, you will hear individuals stating that they have been at the races and they have lost or won money. Money going into the pari-mutuel machines is an economic waste, because there is no tangible evidence that you are getting anything for your money, and very often people get so fascinated with it that they lose their all, and lose what belongs to somebody else in a great many cases. I have a statement from Dr. Shearer which shows the staggering amounts which are annually wagered at the Canadian racing meets. The figures are:

1921	$80,000,000
1922	68,000,000
1923	60,000,000
1924	60,000,000

In Ontario last year the sum wagered was $36,000,000. If $36,000,000 in the province of Ontario, or $80,000,000 in the Dominion of Canada goes to some place where you received no tangible or adequate return or reward in any way to benefit anybody, it is surely an alarming economic waste.

I wish to refer to another quotation that I have here, from Social Welfare, of Toronto:

> Only in Mexico and Canada and three of the forty-eight American states is such criminal vice allowed by law. When it was driven out from under the Stars and Stripes it found refuge under the good old Union Jack in Windsor, Fort Erie, Vancouver and Victoria. How long shall Canada tolerate this?

In my experience in my younger days I laboured for some time in the United States. I returned to Canada, why? Not because I could make more money, because I was making a great deal more money in the United States at that particular time than I could make in this country; but I returned to Canada because of the British law which was so much better than the law of the United States. At that particular time we heard it currently stated that when the blacklegs, gamblers and thieves committed crime in Canada they went across the line in order to get more freedom in the United States. But things have changed since. Mexico, Canada and three of the states of the union are the only countries where it is permitted. We find forty-five of the states of the union are free from this gambling vice. We ought to realize that we are not advancing morally along lines of protecting our people against these vices as rapidly as our American cousins to the south of us are advancing.

In conclusion I wish to express my approval of the legislation that the Minister of Justice is bringing forward, and I hope this House will take into consideration the necessity of going further and putting all gambling into the same category. If it is illegal in one place to gamble, then make it illegal in every other place, and eradicate completely this form of gambling in this fair Dominion of ours.

Mr. W. B. SNOWBALL (Northumberland, N.B.): I cannot help, on rising to make my first speech in this House, but refer to the death of the late member for Northumberland, Mr. Morrissey, whose place in this parliament I was elected to fill. It was a pleasure to me to listen to the remarks made in reference to the hon. member by our respected leader on this side of the House (Mr. Mackenzie King), by the right hon. leader of the opposition, and the hon. leader of the Progressive party. Mr. Morrissey was a politician who stood high in the estimation of the people, a man who died with his name unsullied. Although he had been for years at the head of the largest spending department of the local coalition government of which he was the only Liberal member, a government which later passed out under the blackest cloud that ever darkened the horizon of any government in New Brunswick. Mr. Morrissey's election in 1921 by the largest majority ever given a federal candidate in the county of Northumberland was a mark of personal esteem.

With these remarks dealing with the late member, I am glad that a moral issue of this nature is the one on which I make my first speech.

I would be thoroughly in accord with the hon. member for Skeena (Mr. Stork) if, in the amendment he introduced, he had left out the last few words, "unless applied on a race-track in Canada during a race meet." I feel that his amendment would be even more sweeping than the resolution moved by the hon. member for Brant (Mr. Good), and one that would have commended itself to me, if he had left out these qualifying words.

I am not opposed to horse racing; in fact, I am very much in favour of all sports. I am interested in horse racing, in race tracks, and in the fact that horse racing should be kept clean from all those things that make it so obnoxious to many people that they are afraid to allow their boys and girls to go and see what should be clean sport. I feel that gambling and betting are insidious evils and perhaps as hurtful to the public mind and the young people especially of our country as is the drink habit. We have prohibited gambling at country fairs and in many other ways we have tried to restrict it, but I feel that we have strained at a gnat and swallowed a camel. We should go the whole length in this matter; we should try to protect the youth of this country from an evil as insidious as this great gambling evil is. We, who are further advanced in life, have seen some of the evils that have followed gambling. We have seen embezzlement; we have seen suicide, as was mentioned by one hon. member, and we have seen imprisonment and homes broken up. We, who are the legislators of this country, should legislate for the protection of our people against such a crying evil as gambling on the race tracks of this fair Dominion of ours. An hon. member who was speaking the other day in regard to another question referred to betting on an old sorrel horse. I do not wish, nor do I think any of those who have spoken against gambling, wish to restrict the right of any person attending a race track individually to bet five dollars or fifty dollars or fifty cents, as is referred to, except that I feel

that is one of the insidious things whereby young people who have started gambling in that way might be induced to gamble even worse than that. If, however, we restrict gambling to individual gambling, I do not think we shall have from it the bad effects that are produced as it exists at the present time.

The hon. member who has just sat down (Mr. Woods) referred to the fact that horse race betting is prohibited in the United States except in three states; yet we find that in this fair Dominion of ours, adjoining their borders, we are allowing race tracks to be operated under the pari-mutuel, handbook and other betting principles. This reminds me very much of a parent who forbids his children to carry on some evil habit, something that is wrong, while his neighbour on the other side of the fence encourages his children to carry on just the evil that is being prohibited, and to induce, if possible, the other children to be corrupted by that method. We, as a great family living to the north of the boundary line should co-operate with our good friends to the south in doing everything we can to put out of this country forever the great gambling habit. I do not want to speak at any length on this question. I want to see gambling put off the race tracks. I want to see race tracks so clean that the best men, ministers of the gospel, every person, can go to see what I consider one of the finest sports and the greatest exhibitions we have in any country. I have visited our race tracks and I have gone across the Atlantic and have seen racing as it is carried on in the Old Country. I do not think Lord Rosebery or the king or anyone else raced their horses under the inducement that we do on many of the tracks in this country, where we know that jockeys are corrupted; that the best horse does not always win; and that under the influence of the betting, the gambling, a horse that is not entitled to the race is very often the winner. That sort of thing should be opposed vigorously by this House. We should stand in the best interest, not only of our young people, but of one of the best sports we have in this country and one that has been promoted since the time of Charles II in the Old Land, a sport that everyone could enjoy seeing. We do not want it to be surrounded by men who come in with handbooks mostly from across the border. The sum of $60,000,000 was mentioned. I should like to know where the great bulk of that $60,000,000 goes. Does it remain in Canada, or is it carried across the border by men who have been driven out of the United States by the laws they have there, and who have come to corrupt our morals? Are they carrying back to that country money that belongs to our hard-working citizens, our clerks, artisans and other workers? Is that where we want the earnings of Canadians to go when we are struggling as we are to advance our country? Do we want to see that money, frittered away in that frivolous manner, carried across the border by men who are not entitled to the protection that we give them in this land?

5 p.m.

I feel very strongly in favour of supporting the amendment if the hon. member (Mr. Stork) would eliminate the last few words. I hope the day will come when the resolution as introduced to-day by the hon. member for Brant (Mr. Good) will be carried, and when the other resolution is brought down by the Minister of Justice (Mr. Lapointe), I hope to be able to support it. Then, we as Canadians can hold up our heads beside our neighbours to the south and say that we have grappled with the great evil of gambling.

Mr. H. C. HOCKEN (West Toronto): Mr. Speaker, I rise just to point out that some of us are in an embarrassing position by reason of the amendment. Speaking for myself alone, I would rather vote for the amendment than for the motion. I believe the handbook is a greater evil than that of betting on the race track; but if I vote for the amendment, I am precluded from voting for the motion in case the amendment carries. In view of the fact that the Minister of Justice has promised to bring in legislation identical with the spirit of the amendment, I would feel it necessary to vote against the amendment, although I am heartily in accord with its terms. It looks to me as though the amendment were a subterfuge. I am not able to find in it any evidence of sincerity on the part of the mover, and I should have been glad if it had been declared by the House to be out of order, so that we would have had an opportunity of dividing the House squarely on the issue, the elimination of the betting evil.

Mr. T. E. ROSS (North Simcoe): Mr. Speaker, in at least one respect I find myself entirely in accord with one expression of the hon. member for Skeena (Mr. Stork), who moved the amendment, and that is when he says that horse racing is an ancient and honourable sport. Let us, in the first place. get clearly before our minds the subject now under discussion. It is not the desire of the mover or of any of those who are supporting his resolution to do away with the noble animal, the race horse, in this country,

neither is it the purpose or desire of any of us to prohibit horse racing in Canada. Personally, I enjoy watching a good horse race just as much as anybody else, and in my younger days I enjoyed having the privilege, which I did have many a time, of riding one of those noble animals at the races—I want to qualify that,—races where public gambling was not allowed. The question before us is simply that stated in the resolution: We are dealing with the special privilege which is now given to racing associations under the criminal code of carrying on public gambling operations in connection with their race meetings. I am informed, and I think it is correct, that Canada is the only portion of the British Empire where public gambling at race meetings is allowed by law. If I am not correct, some hon. member will correct me. Personally, I consider this to be a great blot upon our country and a definite menace to our national welfare. The question before us at the present time is a great moral issue, and for that reason it is one of great moment to the people of Canada; for the future welfare of any country must depend upon the character of its citizens. This question, therefore, is of great national importance because it has much to do with the formation of character, particularly in our rising generation.

We find the resolution solidly supported by religious organizations and religious leaders as well as by various other bodies in this country which are working towards the greater welfare of the people and in the interests of social and moral reform. Personally, I have had many letters during the past two weeks from various religious, social and moral welfare organizations in Canada requesting my hearty support of the resolution; and I am told that the same is true of the other members who represent that good old county of Simcoe from which I come. I noticed in the press on Saturday that the churches in the county of Halton have also passed a resolution and have asked the hon. member (Mr. Anderson) who has the honour to represent them in this House that both by voice and vote he support this proposal now under consideration. No doubt a similar situation is true in regard to hon. members of the House generally. Not only is the resolution supported by the various religious, moral and social welfare reform associations, but it is also a matter of very great importance to the financial, commercial and industrial interests of the country. Public gambling at horse races entails, if not the squandering, at least the loss, of vast sums of money as well as the depletion of financial resources. From reliable sources we learn that no less a sum than $60,000,000 was spent during the year 1924 on the race tracks in this country during the racing weeks, a similar sum having been spent in 1923. Not only that, but as great a sum if not a greater was wagered through the handbook men of Canada during those years. This is a serious condition of affairs and it affects business and industrial enterprises very unfavourably.

I stated a moment ago that this public gambling had an evil influence on character building. Let us not forget that the boys of to-day are the men of to-morrow, and that the influences which are thrown around them in boyhood years are very strong factors in determining what their character will be when they develop into full manhood. Since coming to Ottawa about three years ago to attend the session of 1922, I have personally seen many boys who are employed apparently as sub-agents of those who are dealing in this gambling business. They are engaged selling racing forms and other news articles relating to horse racing, and on two or three occasions, at least on two, if I remember rightly it occurred on three occasions—I have personally been approached by boys in this very city, boys only well in their teens, with the request that I should give them two or three dollars. Now, I have always been personally interested actively in our work with the boys, and I took the trouble to stop and ask them what they wished to do with this money, and invariably the answer was that they wanted to place a bet on some horse in the hope of winning some easy money. I am firmly convinced that the influence of this legalized public betting is absolutely harmful and tends to the weakening of character. And it is a positive menace to our national life.

I have been for many years a somewhat close student of that Book of books which is sometimes spoken of as the guide book of life; and I take it that the same thing is true of other hon. members. From that book we learn that a good tree cannot bring forth evil fruit, nor can an evil tree bring forth good fruit. "By their fruits ye shall know them"; and I want for a short time to point to some of the fruits produced by this legalized public betting. For, after all that is the question we are dealing with; we are not discussing private betting that may take place between one and another, nor are we discussing the abolition of horse racing; we are dealing with legalized public betting on race tracks. In the first place we must remember that the production of fruit is a gradual process. The seed is planted, and after a little

while we have first the blade, then the ear and then the full corn, the matured fruit. And just for the reason that the development is so gradual there is a possibility that we may often lose sight of the very close connection between cause and effect. So it is in the case of this national evil, this canker which is eating to the very heart of our national life. When we see the fruition of this evil in a ruined manhood and womanhood, let us not forget that it is the ripened, matured fruit of a seed that was sown long before. Let us remember that some influence, some time, somewhere, has dropped as a living seed into that life and produced the fruit which we now behold. I have said that the production of fruit is a gradual process. So it is; and I see it in this light in the question we are discussing at the moment. No young man or woman, when placing a first bet, ever expects to become a gambler, any more than the boy or girl taking the first glass of liquor ever suspects that he or she may become a drunkard. But the result follows; the temptation is there. In this case it is there under legal sanction, and being under legal sanction, these young people are thrown off their guard. The thing is not against the law, they think it is all right, and so they place their bet. Our young men, and young women as well, we know, have done it and they will continue to do it. They may win for a time and be encouraged, with the result that they repeat the experiment; and they may even win again, and go further into the practice. But the point I make is that this very feature of it, the repetition of the evil, is a habit-forming practice which is undermining the foundation of true, strong character. And when the reverses come; when the fair weather, we might say, has changed to storm; when the winnings have changed to losses, we find that the foundation on which character should be built becomes sand instead of rock, through the process of moral disintegration that has been going on, and the building of true, noble manhood and womanhood falls to the ground.

And more than that is involved. I have referred to the time when losses come, when reverses occur and winnings cease. These losses must be made up. They entail a curtailment, perhaps an entire disappearance of the financial resources of the one who has been engaged in the gambling. And what happens? The need for money is urgent, and he succumbs to temptation. He may be a clerk, or perhaps a manager of some bank or other institution, and he takes that which is not his own; to put it in plain language, he gives way to the temptation to steal. At first it may be only a small sum, but the principle is the same. That may be followed by larger stealing, often by forgery and embezzlement. Then comes arrest, trial, conviction, sentence, a prison term—all in the trail of gambling. What is the mature fruit of this practice of which we are speaking to-day? It is simply this: ruined character, ruined manhood, ruined womanhood, ruined homes, blighted hopes of wives, mothers and children. I leave it to the judgment of hon. members of this House whether that is good fruit or evil fruit. Judge for yourselves, but in doing so do not forget what I said a few minutes ago: "A good tree cannot bring forth evil fruit, neither can a corrupt tree bring forth good fruit." If, therefore, we judge the fruit to be evil we cannot get away from the conclusion that the source from which it came is also evil. There is only one course open to us to-day, as I see it, and that is to take such measures as to banish from the land the evil of which we are now speaking.

In conclusion, Mr. Speaker, I wish to direct the attention of the House briefly to what may be regarded as a case in point. I use it simply as an illustration. Some cases have been mentioned this afternoon by the hon. member for Dufferin (Mr. Woods), but he might have instanced many. These things are actually true and occur in every day life. The case to which I refer took place only within the last month in the city of Hamilton. It is the case of the arrest, trial and conviction of a man in that city—I have his name, but I do not think any good purpose would be served by my giving it. He was charged with theft, conspiracy and receiving, and by Judge Gauld he was found guilty on the major charge; the other charges were not proceeded with. He was convicted on the charge of theft of $31,780 from the Union Bank of Canada. This man was operating a handbook business on a large scale and had been doing so far many months, within two blocks, we are told of the headquarters of the police force of the city of Hamilton. The arrest, conviction and sentence were the result of an admitted embezzlement of a large sum of money from the Union Bank of Canada by a former branch manager of that bank. This branch manager stated during the trial that he had lost all this money of the bank in dealings with this man's handbook in a certain hotel in the city of Hamilton, and also that the man who was operating the handbook business knew at the time that it was the bank's money that was being wagered. Let me quote briefly some of the criticisms that were made by Judge Gauld in dealing with this case, as published in the

Toronto Globe under date of February 2 of the present year. It says:

In his judgment Judge Gauld characterized Baird as a shrewd young man, reared since his fourteenth year in an atmosphere of gambling, and one in whom the mercenary spirit was acutely developed.

Just note that one point: the judge states that this man had been reared from his fourteenth year in an atmosphere of gambling—and we have the result, a ruined life. As I said a little while ago, this question is a vital one to the people of Canada because it has much to do with character building, and character is the foundation of the success of this or any other nation. Judge Gauld says further:

It is difficult to find language adequately to comment upon the pernicious evil, in the form of gambling and handbook making, that has eaten its way to such an alarming extent into our community life. The evidence in this case frankly, even brutally, exposed the existence of an illegal practice which has become so common and so familiar that it has been accepted as almost a proper and natural thing.

It has "become so common and so familiar"—this reminds me of a verse which I learned in my boyhood days while at school, and which runs something like this:

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.

We see it carried out in practical life. Further the judge says:

Within two blocks of the police headquarters in this city the accused for months has been openly defying the law with his gambling operations. The general impression in the public mind, when thinking of or discussing handbook transactions, is that only small amounts of money are involved, but this evidence disclosed the fact that large sums of money changed hands.

Remember that the sum involved in this case was $31,780. But that is not all that was involved. We have the ruin of the man who operated the handbook as well as of the bank manager who was gambling through him. I think both are at present serving a prison sentence. More than that, Judge Gauld says:

The whole circumstance laid bare not only a wilful perversion of our moral and ethical codes, but a defiance of law and justice with impunity that is incomprehensible to me, and which should require further elucidation at the hands of those responsible for its existence.

When I read, Mr. Speaker, those last few words, "of those responsible for its existence," I just wondered who they were. I know the judge was speaking at the time of the police officials in the city of Hamilton, but after all they are responsible only for carrying out the law, and I feel that we in this parliament are the ones who are responsible. That very thing was what caused me one day last week to ask the government if they intended at this session to re-introduce legislation similar to that which was brought down in 1923, and which was passed by this House but defeated in the Senate, dealing with this identical evil. I was glad to receive the assurance from the hon. Minister of Justice that the government intended to re-introduce that legislation at this session. I hope that when it is re-introduced that it will meet with the unanimous support of members of this House; I hope it will; I hope also that it will be endorsed by the Senate and become law. Otherwise, if the Senate in their wisdom, or in their unwisdom, as I would view it, should see fit to again throw out the measure, they will have a great deal to answer for in the country districts, as I know from actual experience.

In conclusion, I wish to make an appeal to every member of this House for solid support of the resolution which is before us. For in supporting it what are we doing? We are protecting our boys and our girls, our young manhood and our young womanhood, our homes, this Canada of ours which we all dearly love, from the harmful influence of this national evil which tends towards the destruction of strong, true, Christian character, and which is also a menace to our future welfare as a nation.

Mr. A. W. NEILL (Comox-Alberni): It was my desire to vote for the main resolution, for reasons with which it is quite unnecessary for me to burden the House, as the matter has been discussed very fully already; but I find that the amendment of my hon. friend the member for Skeena (Mr. Stork) prevents me to a large extent from voting for the main resolution. The amendment of the hon. member for Skeena has my hearty approval, and I would like to vote for it also; but I cannot very well vote for them both. If I voted for the amendment, which is a good thing, that precludes me from voting for the main motion, which is also a good thing. That is an undesirable position in which to put hon. members.

I also have one slight objection to the amendment of my hon. friend from Skeena, and it is this. He proposes by his amendment to prohibit the advertising, and so forth, of tips, odds, and so on, unless when supplied on race tracks. Now if it is a good thing to prohibit the publication, advertising and broadcasting of tips, odds, and so on, in any other part of Canada, why is it not also a good thing to prohibit it on the race track? I have the honour to move, Mr. Speaker, the following amendment to the amendment, seconded by the hon. member for

Selkirk (Mr. Bancroft). I move that all the words after the word "without" be struck out and the following substituted therefor:

and to prohibit the use of pari-mutuels on race tracks in Canada.

If the sub-amendment carries, the amendment of the hon. member for Skeena will then read as follows, and I think it will meet the views of a great many in this House, inasmuch as it will perhaps condense into one amendment the best elements in both the motion and the amendment:

That in the opinion of this House legislation should be introduced during this session to prohibit the advertising, printing, broadcasting, publication, or sale of information concerning any tips, selections, odds or any similar intelligence with respect to or applicable to horse-racing, whether held within Canada or without, and to prohibit the use of pari-mutuels on race tracks in Canada.

Mr. DEPUTY SPEAKER: If there is no objection, I would like to consider the amendment to the amendment for a short time. It is approaching six o'clock, and the debate can proceed in the meantime.

Mr. E. W. ROBINSON (Kings, N.S.): I would like to associate myself with the member for West Toronto (Mr. Hocken) in deprecating the fact that there has been an amendment introduced at all. I would say the same thing concerning the amendment to the amendment. It seems to me that it is simply an attempt to prevent an expression of opinion on the original resolution. What I believe we should do, and what I intend to do myself, is to support the resolution as introduced by the hon. member for Brant (Mr. Good), and in order to do that, I shall have to vote against the amendment to the amendment, and then against the amendment itself. It seems to me these are just attempts to confuse the issue. The issue as stated in the resolution is plain, and if we settle on that, it will be an easy matter to decide afterwards what shall be done concerning the handbook evil and the publication of racing news from the United States and other countries. But we have, as I understand it, a resolution on which we can divide, and I propose to support the resolution.

Mr. E. J. SEXSMITH (Lennox and Addington): I have no desire to prolong this discussion, but because of the basic value of the resolution, building up as it would the moral standard of citizenship and nationalism, I wish to definitely give my stand on this question. There have been strong arguments for the resolution and also against it, and a repetition of these arguments to my mind is taking up time for nothing.

The question is, is it right that parliament should legislate a business of commercialized gambling? Gambling is not a sport: gambling is a disease. Gambling is a general evil that leads to vicious inclinations, that leads to the abandonment of honest toil, leads to loss of property, loss of self-control and of self-respect; and laws that encourage this ought to be repealed. Horse race gambling does not differ in any respect from any other form of gambling. If that is so, why should the Parliament of Canada uphold that which is demoralizing and degenerating? Horse race gambling should be dealt with by law just the same as any other. What excuse can hon. members have for not supporting this legislation? We believe in democracy; we believe in an educated and intelligent democracy; we believe that right laws are built upon the foundation of moral pricipals; and if we do not brace up the fundamental principles of right nationalism by law, how can we expect to have a right democracy? For my part I cannot see how any member can frame an excuse for voting against the original resolution and personally I am determined to vote for it.

Mr. A. E. MacLEAN (Prince): No doubt many members find difficulty in understanding the precise situation which confronts them at the present time. To my mind the resolution would have been a fair test of the opinion of the House; but the amendment also proposes a step in the right direction and no doubt those who wish to see a betterment of the prevailing conditions as regards betting on race tracks and book-making will be ready to support it. While bearing in mind the saying that "half a loaf is better than no bread" a number of us on this side of the House are at a loss to know what to do. As by voting against the amendment we may be preventing legislation that is very far reaching in importance and personally I feel like supporting strongly the main resolution; but if the Speaker decides that the amendment to the amendment as moved by the hon. member for Comox-Alberni (Mr. Neill) is in order I should think it would meet with the idea of the hon. member for Brant (Mr. Good) as embodied in his main motion. I do not think this is an attempt to stamp out racing. We have harness racing in the province of Prince Edward Island and its success won for that province the name of "The Kentucky of Canada." Probably the best harness horses in the world have been raised in Prince Edward Island. Race meets take place there during the summer months, and the whole countryside turns out for them. The people spend a nice afternoon

and there is very little betting that we know of—certainly there is no public betting, and pari-mutuel machines are not allowed. Therefore I do not think any hon. member has it in mind to strike a blow at the sport of horse racing or the industry of horse raising. At our last fall fair, the pari-mutuel machine was introduced, for the first time in the history of the province. I do not know whether that machine should be allowed in a case where the fair association receives a grant from the federal department of agriculture; it may be that such is done in accordance with the regulations of the department. However I am heartily in sympathy with the main motion. We have yet to hear from the hon. member for Brant in regard to the amendment to the amendment, but if he accepts that proposition I think we can all do the same.

Mr. J. L. BROWN (Lisgar): The hon. member for West Toronto (Mr. Hocken) seemed to be worrying over the fact that he was placed in an embarrassing position. I do not believe it is the first time that motions have been made in this House with the object of placing members in such a position. Whether the hon. member for Skeena (Mr. Stork) did that consciously or not there can be no doubt that is the effect of his amendment. Regardless of any embarrassment I would have no hesitation, in view of the whole situation, in voting against the amendment. While I, and a great many others, undoubtedly do agree with the sentiment expressed in the first part of the amendment—and I am glad to know that the sentiment against the handbook evil is seemingly so unanimous—yet the expression of that sentiment is vitiated, so far as the handbook evil is concerned, by the last few words of the amendment. Therefore for that reason, if for no other, I would vote against that proposition. It seems strange that when a motion, directed against a certain evil, is brought before the House, that we should have introduced an amendment directed against another evil, even if these two particular evils are in some measure related. Yet that is the situation in which we are placed to-day. So even without the few objectionable words at the end of the amendment I would vote against it, not because I do not wish the reform outlined in that amendment, but because it is not a question on which I wanted to vote at this time. My desire was to vote, and to have the House vote, on the particular evil that is mentioned in the resolution of the hon. member for Brant. And that hon. gentleman made it very clear in his opening remarks that he did not want these two issues confused. We had already had the promise from the Minister of Justice that legislation directed against the handbook evil would be introduced here. We accepted that promise in good faith, and no matter how this vote goes we expect the government will implement the promise into legislation. The hon. member for Brant, as I say, made it very clear that he wished us to consider these two questions entirely distinctly. I am not going to discuss at this time whether the handbook evil or the pari-mutuel is the greater evil. I know there are those who will declare against commercialized gambling as carried on through the handbook, and yet will not seem to see the evil of commercialized gambling as carried on by the pari-mutuel machine. With what little study that I have been able to give to the question by personal investigation I cannot see that the evil of commercialized gambling is done away with because it has been clothed with outward respectability. I quite admit that if one goes out to the Connaught races, as I did myself a year ago, and looks around to see what is going on to outward appearance it is respectable; but I saw things also, when I was there that forced me to the conclusion that the evil was none the less because outward respectability was evident. To put a pig into the parlour does not make it any less pig than when it was in a pig sty.

Personally I would have preferred if we could have voted on the resolution as it was submitted to the House; we would none of us then have been in the embarrassing position which the hon. member (Mr. Hocken) seemed to think he was in. However, I am not embarrassed about it, nor do I think any hon. member need be embarrassed if he wants to express himself on the original motion by voting against the amendment. If the Speaker rules that the amendment to the amendment is in order we will accomplish all we desire to accomplish in the original resolution; and in that event, while I would have preferred that we should have voted on the original proposition I intend to vote for the sub-amendment. If the amendment to the amendment is not so held I shall certainly vote against the amendment. If that should be carried we cannot, under the ruling of the Chair, express ourselves on the original proposition at this time. Should the amendment be defeated however we shall have a chance to divide the House on the merits of the question, and I shall certainly support the resolution of the hon. member for Brant.

Mr. W. G. McQUARRIE (New Westminster): I understand Mr. Speaker, that you

have not ruled whether the amendment to the amendment is in order.

Mr. DEPUTY SPEAKER: I have not ruled that it is out of order.

Mr. McQUARRIE: You have not ruled whether it is in order or out of order. As to the amendment to the amendment, there is just one point that I would suggest should be considered by the mover; and that is whether, if this amendment to the amendment is carried and the use of the pari-mutuels is prohibited, it will not be possible to adopt some other system of betting for horse racing. As I understand it, such action is being considered by the racing associations themselves in the west, and some of them are of the opinion that another system would be better and should be used. If that is so, and if some other system of betting be adopted, what will be accomplished by this amendment to the amendment? The hon. member for West Toronto (Mr. Hocken) stated that he found himself in a very embarrassing position with the amendment that had been moved. I believe other members on this side of the House feel themselves in an embarrassing position, notwithstanding the remarks made by the hon. member for Lisgar (Mr. Brown) What is to happen if the amendment is defeated? Will the Minister of Justice then carry out his promise to introduce legislation along similar lines? I think not. I think he would say, "That question has already been determined by the House, and the House has decided against such a proposal; therefore it would not do for me to bring in any such legislation". However, I do not know.

Mr. GOOD: How could the Minister of Justice say that, in the face of the declaration made by hon. members here as to the reasons why they should vote against the amendment?

Mr. McQUARRIE: Now if we have a vote of the House against the amendment, what position does that place the minister in? The minister said something under his breath which I did not hear, but I take it he would be very diffident about introducing legislation on lines which had already been considered by this House and rejected. If that is so, are we not in an awkward position? If I support the original resolution, and I am in favour of the amendment, am I not in an embarrassing position? If I vote in favour of the amendment then I certainly do not wish it to be understood that I am opposing the original motion which I favour. I wish to make that position perfectly clear.

Mr. MEIGHEN: If the hon. member voted against the ruling he is all right.

Mr. McQUARRIE: So far as I am concerned, I voted against the ruling of the Chair, but notwithstanding that fact when this amendment comes before the House I feel inclined, subject to what may be said later on in this debate, to vote against the amendment; provided the amendment to the amendment is declared to be out of order, and provided also that the mover of the amendment to the amendment cannot convince me that some other form of betting will not be substituted for the pari-mutuel.

Mr. GOOD: Does the hon. gentleman know that by the 1920 legislation the pari-mutuel system of gambling was the only one that was left legally.

Mr. McQUARRIE: That does not make any difference. You can have some other system.

Mr. GOOD: Is there any other kind of betting that is legally left.

Mr. McQUARRIE: That is not the point at all. This House then will not go on record as being opposed to race track gambling as such, but will go on record in favour of being opposed to one particular form which is the pari-mutuel.

Mr. NEILL: Which is the only legalized form.

Mr. McQUARRIE: Why does not the mover of the amendment to the amendment, instead of mentioning the pari-mutuel, go on record as being opposed to race track gambling of any kind?

Mr. NEILL: Because it would be out of order.

Mr. McQUARRIE: That is the point that you, Mr. Speaker, will have to consider. If it is out of order then, why is this amendment to the amendment not equally out of order, when it accomplishes exactly the same purpose? What I am afraid of, Mr. Speaker, is that you, upon thinking this matter over after six o'clock, will come to the conclusion that this amendment to the amendment is out of order. If it is not out of order, then it would not be out of order for the mover of the amendment to the amendment to insert a clause, and instead of saying pari-mutuel betting shall be prohibited, provide that any kind of race track betting shall be prohibited. That would clear the situation and put the House on record as being opposed to race track gambling of any kind, and not as against pari-mutuel gambling alone.

Mr. PUTNAM: Why would the hon. member confine his prohibition to race track gambling? The hon. member says you cannot gamble at a race track, and he upbraids the mover of the motion for not putting it that way. Why would the hon. member, in his superlative morality, not make it a prohibition of gambling anywhere and everywhere?

Mr. McQUARRIE: It was not necessary, because we are dealing with race track gambling only, and we are not dealing with other forms of gambling in this debate. If I had an opportunity of voting on the main motion I would vote in favour of it. And I would do so for a number of reasons which I am not going to take time to elaborate to-night. However, I will simply point to this fact, that in British Columbia during the last year we have had a regular orgy of race meets and gambling. We have had too many of them. Perhaps it would be said—and I think it might be said with a good deal of reason—that if you are going to have race tracks at all there should not be any monopoly about it. If you are going to have race meets in this country, then throw the whole thing open, and let anyone have a race meet who desires it. Why should a few associations in this country have a monopoly of conducting race tracks, if race tracks are a good thing? Well, there is certainly something in that argument, but on the other hand, working it out in practice, they have found that a great many race meets in this country would be a very bad thing. It is apparently admitted by everybody that you must limit the number so that there will not be too many race meetings. I know that is not so in other countries. In Australia or New Zealand they can have race meetings almost every day if they so desire, and they do have them and many people attend. I know that in Melbourne, at the Melbourne Cup last year, 140,000 people paid admission to get in to see the races and there were 50,000 people standing outside on an adjoining hill where they did not have to pay any admission. In Australia they go in very extensively for racing. Australia is a great country for sport, and I was told over there that one of the troubles of Australia was that there was too much sport and, in particular, that there was too much horse racing, that it was killing the country. In New Zealand also they have horse racing and they told me over there that the same situation prevails, that there is too much of it. There is apparently no limit to the race meetings at all. They say: Go ahead and have race meetings if you like. If horse racing is a good thing, let us throw it open to everybody. There are in this country people who would pay big round sums of money to have the privilege of operating race courses in British Columbia or, I suppose, in Ontario, or, for that matter, in any other province. These people who are in the business now have the right to conduct race courses and nobody else has that privilege. I am getting away from my point for the moment.

At six o'clock the House took recess.

After Recess

The House resumed at eight o'clock.

Mr. McQUARRIE: Mr. Speaker—

Mr. T. W. BIRD (Nelson): I rise to a point of order. I submit that the amendment to the amendment as moved by the hon. member for Comox-Alberni (Mr. Neill), is out of order. I base my point of order on the following paragraph taken from the third edition of May, which reads:

> Where the original amendment is to leave out certain words, in order to insert or add other words, no amendment can be moved to the words proposed to be substituted, until the House has resolved that the words proposed to be left out shall not stand part of the question. But as soon as the question is proposed for inserting or adding the words of the amendment, an amendment may be moved thereto.

I submit, therefore, that there is another question before the House which must be disposed of before the amendment to the amendment can be in order, and the nature of that other question is clearly defined by May at page 283. Let me read:

> An amendment may be made to a question, by leaving out certain words, by leaving out certain words in order to insert or add others, and by inserting or adding certain words.
>
> When the proposed amendment is to leave out certain words, the Speaker says, "The original question was this," stating the question at length. "Since which, an amendment has been proposed to leave out the words," which are proposed to be omitted. He then puts the question, "That the words proposed to be left out stand part of the question." If that question be resolved in the affirmative, it shows that the House prefers the original question to the amendment and the question, as first proposed, is put by the Speaker. If, however, the question, "That the words stand part of the question," be negatived, the question is put with the omission of those words, unless another amendment be then moved for the insertion or addition of other words.
>
> When the proposed amendment is to leave out certain words in order to insert or add others—

Which is the case in point.

> —the proceeding begins in the same manner as the last. If the House resolves, "That the words proposed to be left out stand part of the question," the original question is put; but if it resolves that such

words shall not stand part of the question, by negativing that proposition when put, the next question proposed is that the words proposed to be substituted be inserted or added instead thereof.

I submit that according to procedure the question before the House is, as here stated, that these words stand part of the original motion. So that the amendment to the amendment is out of order until that question is disposed of. Reflecting on the situation in which we found ourselves before the dinner hour, I came to the conclusion that something must be wrong, because evidently we had got ourselves into a position which was utterly opposed to common sense in the circumstances. It seemed to me that either the amendment must be out of order or that there must be some other provision in British procedure whereby the rights of the original mover were safeguarded. And my faith in the procedure, so far as debate under British rules is concerned, is very much confirmed by what I find in these references. I am glad to think that the ruling of the Speaker this afternoon was strictly in accordance with the proper procedure, as I was inclined to doubt that at first. Not knowing that there was some other provision to meet the situation that had developed, I thought that the ruling, even if in order, was an unjust one. I am glad, however, to find that the ruling was in keeping with the procedure, and I am more than glad to discover that our procedure provides a way out of such a difficulty. I submit that before any further progress can be made in this discussion, the question must first be disposed of, as to whether the words which the hon. member for Skeena (Mr. Stork) proposes by his amendment to omit from the original motion shall stand as part of that motion, thus reserving the rights of the hon. member for Brant (Mr. Good) and allowing the House to express its will on the resolution moved by him.

Mr. A. W. NEILL (Comox-Alberni): I submit that the hon. member is applying one set of rules to a set of conditions to which they are not applicable. It is a well known fact that May's and Bourinot's rules apply in this House only in the absence of our own rules. I do not need to go either to May or to Bourinot for information on this subject; I can get that information in our own rules, very ably set forth by our present Clerk. The remarks of the hon. member for Nelson would be applicable to a great extent if—well, in fact, they would be applicable if they were in order, but they are not; they are not applicable to the present situation. The hon. member says that it would preserve the rights of the mover of the original motion, the hon. member for Brant (Mr. Good), if the amendment as moved by the hon. member for Skeena (Mr. Stork) were put in the language which he, the member for Nelson, suggests. That is true. It would preserve the original motion if the question were put, "Shall the words proposed to be struck out stand part of the question?" But that is not our custom; it is not our procedure. The Speaker says, "The question is on the amendment;" it is not, "Shall the words proposed to be struck out stand part of the question?" That is followed in some of our provincial legislatures, British Columbia, for example, and it often leads to a great deal of confusion; but it is not the custom here. The vote in this House is taken on the question, "Shall the amendment carry?" That is the question, and if it is carried in the affirmative in this instance the motion of the hon. member for Brant is forever estopped. Let me read from our own rules. Rule 36 states the restrictions governing the moving of motions:

A motion may be amended: (a) by leaving out certain words; (b) by leaving out certain words in order to insert other words; (c) by inserting or adding other words.

Then again it says this—and I am quoting only those rules which are applicable to the present situation:

It is an imperative rule that every amendment must be relevant to the question on which the amendment is proposed.

I do not think anyone can gainsay that my subamendment is relevant both to the amendment and to the main motion.

Every amendment proposed to be made either to a question or to a proposed amendment should be so framed that if agreed to by the House the question or amendment as amended would be intelligible and consistent with itself.

I am in the hands of the House if I have not complied with that rule.

Mr. BIRD: The hon. member will remember that I did not object to the form of his amendment at all; I think the form of it may be in order. What I was questioning was the point in the procedure at which he introduced it.

Mr. NEILL: If the hon. member is not questioning the form of the amendment, how does it come to be out of order? What is wrong with it? Again, the rule says:

An amendment must not raise any question which by the rules of the House, can only be raised by a distinct motion after notice.

That does not apply.

An amendment cannot anticipate a notice of motion on the order paper.

Again:

An amendment that is merely an expanded negative cannot be proposed by the chair.

The Speaker may refuse to propose an amendment which is in his opinion frivolous.

These are all the rules that have any bearing on this question, and I suggest that I have not broken any one of them. Here is the situation as it presents itself to me. The hon. member for Brant has moved a substantive motion; he wants to do something. What does he want to do? He wants to do away, in his own language, with—

—the special privilege given to racing associations under the Criminal Code of carrying on public gambling operations in connection with their race meetings.

He says it is detrimental to the best interests of Canada; that is his view; that is what he wants to do. That is method number one of dealing with the situation. The hon. member for Skeena (Mr. Stork) does not approve of that method, and he comes along with a suggestion which I will call method number two. He says: "I won't go along the lines of the hon. member for Brant; I will deal with another phase of it, that of what is commonly known as book-making —and he moves an amendment to that effect. Now, six or seven hon. members rise up in this House and say: "I am in a position of embarrassment; I want to vote for both the amendment—it is right—and the motion—it is right; but as the one will substitute itself for the other I cannot vote for both." So I suggest what I will call method number three. It is not a new one; it is not a separate one, but it does not accept the amendment of the hon. member for Skeena in full; it does accept part of it. It amends it; it leaves out what some people think should be left out. Then it also takes a portion of the hon. member for Brant's motion, but in spirit only; it does not accept the language of the original motion in its entirety. I say nothing about racing associations, the Criminal Code or public gambling operations on race tracks. In addition to the portion of the member for Skeena's amendment which I include, I simply say "and excluding pari-mutuels." The hon. member for New Westminster (Mr. McQuarrie) asked why I did not insert the whole thing again. My reply was—and it was appropriate—that I did not want it to be out of order, as it would have been. That is not the objection made by the hon. member for Nelson (Mr. Bird) but I think it is what the Deputy Speaker had in his mind when he expressed doubt about it at six o'clock.

[Mr. Neill.]

I repeat that my amendment is not a going back to the first motion, because it takes in only a portion of it. It is a compromise; it takes in a portion of the member for Skeena's method and a portion of the member for Brant's method, therefore it is in a true sense not an evasion but, on the contrary, a clear-cut, fresh amendment. I do not think I need further discuss the point of order taken by the hon. member for Nelson, because it is well known that we abide by our own rules and only go to those of Britain when we are at a loss. The custom here, as we well know, is not to put the motion in the words: "Shall the words proposed to be struck out stand as part of the question?" It is in the knowledge of all parliamentarians that that is not done. I submit, on the other point, that my amendment is in order, because it does not hark back to the motion in its entirety; it takes in only a portion of it.

Mr. W. C. GOOD (Brant): Mr. Speaker, I should like to say a few words on the point of order. As the hon. member for Comox-Alberni (Mr. Neill) has just said, I moved a definite, substantive motion. An amendment was moved which I submit was not an amendment but a substitute, introducing an entirely new question, putting entirely out of the way the matter which I had in my mind. The effect of the acceptance of that amendment would undoubtedly be to sidetrack absolutely and forever—for this session at least—the matter I dealt with in my motion. I ask you, Mr. Speaker, if I or any other member of this House brought in a substantive motion, whether it would be fair or in accordance with the spirit of the rules of this House or of any British parliament for some other hon. member to get up and move that the matter be not now considered and decided upon. If that would not be fair then I submit the amendment was not fair. I challenged it at the time, but as you know, the House divided on it and sustained the ruling of the Deputy Speaker, who was then in the chair.

Mr. GRAHAM: What about the six months' hoist? Would that not be definitely bringing it to an end?

Mr. GOOD: If the six months' hoist had been moved it would certainly have been a little more aboveboard than the amendment that actually was presented.

Mr. GRAHAM: I mean it would have been in order.

Mr. GOOD: Perhaps it would have been in order.

Mr. SPEAKER: I would like the hon. gentleman to state what in his opinion is the effect of the wording of the subamendment added to the amendment?

Mr. GOOD: So far as I can see it would be quite acceptable. I stated when speaking on the point of order before that I was in agreement with the amendment but that it dealt with another matter. The amendment to the amendment, as I understand it, really incorporates the substance of the two motions and it is quite acceptable to me. I would like to see it accepted and allowed to stand, and I think that is the view of the majority of hon. members. Otherwise there are many hon. members here who will be placed in an unfortunate position: they have either to vote against what they believe to be right or they have to allow this question, which they want to decide, to be shelved for this session.

Mr. SPEAKER: Does any other hon. member desire to speak on the point of order? If not, I will reserve my decision for a little while, and the debate can proceed in the meantime.

Mr. W. G. McQUARRIE (New Westminster): Mr. Speaker, I started out at six o'clock to say that in British Columbia we had during the last season too much horse racing. That fact is borne out by the press reports, which some hon. gentlemen have no doubt seen, particularly during the last summer and autumn. The matter was the subject of agitations on the part of various public bodies in British Columbia; the situation became so serious that representations were made to the provincial legislature and as a result the legislature passed certain regulations cutting down the number of racing days allowable in the province. The hon. member for Skeena (Mr. Stork) is in the fortunate position of not having a race course in his constituency. He says he has one? Well, he is in the unfortunate position, then, of having one; it is one I personally never heard of. I have two in my constituency. There are three race tracks in the immediate vicinity of Vancouver. The result of all this horse racing in British Columbia has been that the merchants and others have protested that money was being spent in race track gambling which should have gone into the stores and into other business. The trouble with us is that there are no Canadian horses running in British Columbia so far as I know; at least I never heard of a Canadian horse winning a race in British Columbia. Now one of the arguments which has always been adduced in support of horse racing is that racing has a tendency to improve the breed of horses. Well, it certainly does not do that in British Columbia, because they are not raising any Canadian race horses there which ever win races. The horses are brought from Tia Juana and other American race tracks. When it gets too hot for them down there they come up to British Columbia in the summer time and make the circuit of our province. With these American horses, come American race track gamblers, touts and others who frequent and make a living out of race tracks; and these horses and these men in some way or other manage to accumulate most of the money which is spent on the race tracks, and take it out of Canada. That is why the people out there are objecting to it.

I must say that there are some race tracks in this country where legitimate sport is carried on, such tracks as Connaught Park, Ottawa, the Blue Bonnets in Montreal and the Woodbine in Toronto. If all of the tracks in Canada were as well conducted as these, I do not suppose there would be all this agitation against race track gambling; but, unfortunately, that is not the case, and out in our province, as I have said, there has been a great deal of agitation against horse racing being carried on to such an extent. If the improvement of the breed of horses is left out of the question altogether, we find that the only reason left in favour of racing is sport. Well, I am in favour of sport, and always have been. I have played all kinds of games—lacrosse, football, baseball, tennis, and golf now; I am in favour of all kinds of good legitimate sport, but I suggest that sport is not really the main reason, or any reason for carrying on race tracks in this country. The real reason is the gambling feature, and I defy any hon. gentleman to stand up in this House to-day and say that if gambling was not permitted on these race tracks we would have any number of race tracks in this country. Now if you are going to allow gambling on race tracks, why do you not allow it in other lines? It is true there are among us good reputable citizens who enjoy gambling on the race tracks; there are other reputable citizens who enjoy other forms of gambling. When I went out to British Columbia first, in all the cities and towns everything was wide open. They had faro and roulette and poker and blackjack and everything else running day and night, and everybody was happy. In those days when anybody suggested that these games should be stopped, there were many who rose up against the uplifter and said; Not at all, let us go on in the same old way; we are

all right as we are. But will anyone say that we are not better off to-day with all these games stopped? And I think the same thing would apply to race track betting. I am absolutely opposed to it and always have been.

I do not know, Mr. Speaker, how to vote on the various questions which are before the House. If I vote for the original resolution, which I intended to do, I would have to do two other things. In the first place, I would have to vote in favour of the pari-mutuels being continued; I would also have to vote in favour of what they call handbook betting, because if I voted for either amendment and it carried, I would have no chance of voting on the original motion

What I intend to do is to consider the matter further. I am in doubt exactly what I should do. I know my idea would be, if I got the chance, to vote in favour of the main question which was brought before the House by the hon. member for Brant (Mr. Good). I would suggest that the proper thing for the mover of the amendment and the mover of the subamendment to do would be to withdraw their amendments, and let us have a fair and square fight on the main question of whether we want race track gambling in this country or not.

Mr. NEILL: I would be happy to withdraw my subamendment if the hon. member from Skeena would withdraw his.

Mr. FERNAND RINFRET (St. James): Mr. Speaker, while these hon. gentlemen consider what they shall do, perhaps we may be allowed to go on with the debate. This question is not a new one, but the situation that we find to-night at the beginning of this sitting is somewhat confusing. As far as I am concerned, my intention is to discuss the main matter, then to try and explain to the House how I shall vote on the two amendments in order to bring about the result that I think should be brought about. As for the question of race betting itself, it is not a new one. It was decided in this House only two years ago, not by a rigid party vote, but by the much greater flexibility of an independent and personal vote. Therefore I think we have had on this matter the clear-cut opinion of the majority of the members of this House, which has not changed very much since then. I will admit that the hon. member for Brant (Mr. Good) is very consistent in bringing up this matter again, but I insist, Mr. Speaker, that the House will show equal consistency in rejecting it once more. It gave a majority of twenty against it two years ago, and I do not think there has been any great change in the opinion of the members since then.

Mr. GOOD: Might I ask whether the hon. gentleman would be prepared to permit the House to show its opinion on this question?

Mr. RINFRET: If my hon. friend will follow me, he will know; the race has just started.

Mr. FOURNIER: Now we're off.

Mr. RINFRET: I think the hon. member for Brant will know about my opinion when I am through. I would like to submit first, as I did two years ago when this matter was before the House, that betting is not a bad thing in itself. That is a very important point that I wish to make at the start. I believe as much even as the hon. member for Brant himself that we should prohibit anything that is bad; but it has never been my opinion and so far has never been the opinion of this parliament, that we should prohibit anything that is not bad in itself, but that only becomes bad from the abuse of it. I submit that a man may invest his property in whatever way he likes, even for his own pleasure. There is in every activity of life an element of gamble. There is a gamble in trade, there is a gamble in the stock exchange, there is a gamble in politics—quite a number of us will find that out, perhaps very soon. All of us in life are staking a certain portion of our own resources on something that may happen. That is our liberty, we are entitled to do that; and if a man has made money in trade, or in any other activity of life, he is as much entitled to stake that money on a horse as he is to buy a new suit of clothes, an expensive dinner, or any other kind of luxury that he sees fit to buy. You are not trying, as my hon. friend was submitting only a few days ago—you are not able at least—to legislate anyone into holiness; and it is a very striking thing for some of us to see with what ease of mind hon. members are allowing certain measures to pass and then are expressing their indignation with respect to other matters which to some of us seem very trifles in comparison to what these hon. gentlemen are ready to stand for. You are not trying, for instance, to stop the extravagance in his manner of living of a man who buys too much or who spends his own money to an excessive degree. You cannot do that, and even if a man is desirous of betting his money on horse races why should you try to legislate against that wish of his?

Mr. GOOD: We are not proposing to do so.

Mr. RINFRET: Let my hon. friend be patient; the horses are just going along. My hon. friend will get my full meaning when I have developed my argument a little further. The point I want to establish first is, that there is nothing bad in the fact of a man taking his own money and betting on a horse race. That is not where the evil is; the abuse that we must try to stop is at the other end of the bargain. What we want to ensure is that there shall be no fraud or no inducement, not on the part of the man who is betting, but on the part of the man or corporation trying to induce him to bet. Therefore it stands to reason that you must not prohibit the thing, I do not think you should be allowed to do it, but you must control it so that the betting will be done under such conditions as will prevent the committing of fraud. That has been the spirit of the legislation on betting that has passed parliament ever since this agitation was first started.

I did not follow every phase of this debate, and perhaps this subject has been alluded to already. Nevertheless I may be permitted, I hope, to state in a few words the history of the legislation on this question. In 1906 there was legislation with respect to certain prohibitions about betting, but betting was permitted as long as it took place on the race course of an incorporated association. In 1910 we had the late Miller bill, which sought to impose further restrictions but did not want to do away with race betting altogether when it was done under certain conditions on a race track and under the control of a properly constituted association. Then there was an inquiry into the subject, followed by the famous Rutherford report which has been alluded to very often. In 1920 when this parliament dealt with the matter again it instituted what we call the pari-mutuel which is a system of betting between different bettors instead of a man betting through a bookmaker. My hon. friend (Mr. Good) insinuates that this constitutes a privilege. I say it is not a privilege at all that the race tracks have. They are simply operating under a law or regulation which permits any incorporated association to exist.

Mr. GOOD: Do they not get a rake off?

Mr. RINFRET: I would not call it a rake off; the provincial governments get a tax and the race track people get a reasonable percentage for the regulation and control which they exercise. The pari-mutuel legitimizes betting in a prescribed form at a regular meeting conducted by a chartered racing association. That is not a privilege at all. It is no more a privilege than the result of any other form of control of activities in the case of a group of men who form an association and abide by the law. Certainly they are not enjoying a privilege; they are merely following the track that we ourselves have induced them to follow. They are simply abiding by the regulations that we have ourselves prescribed. That is not a privilege at all, at least I would not call it a privilege unless you say that a man who abides by the law benefits by the control exercised. Whether that law applies to race betting or any other activity of life the principle is exactly the same. As you will see, Mr. Speaker, every time this House has dealt with race betting it has always observed that principle of control. It has prescribed certain restrictions, but it has never thought for one moment of proposing the abolition of race betting as my hon. friend proposes now—at least on the race tracks; I do not think that my hon. friend is thinking for one moment of allowing betting anywhere else.

Now what would be the effect of prohibition? I think Mr. Speaker that we have already in this country too much prohibition and not enough enforcement. We all know that in other territories it is a very hard thing to enforce the prohibiting of a thing that is not bad in itself, especially, when public opinion is not behind it. And in this case I say that if you try to prohibit race betting altogether, as would be the effect if the main motion were to pass, you would only have prohibition in the statute itself; you would have a worse form of betting in actual practice. Because, after all, I can conceive of only two classes of bettors: The one class a good class of bettors, sportsmen who go to the races and stake a reasonable amount of money, and who in pursuance of their own private liberty, invest their money in that form of sport and pleasure. Surely we are not going to legislate against those. What we want to prevent, at least what my hon. friend wants to prevent, is the other class of bettor—the man who stakes too much of his money, the man who goes beyond the limit; and also the fraudulent bettor who is only hovering round to try and get an illicit benefit. And I say, Mr. Speaker, that far from doing away with that class of bettors we are only favouring them by taking away the actual form of the pari-mutuel which has given good results, and by letting the betting community—if I may so term them—seek other forms of investing their money, seek other ways of betting as they are already doing. We know very well that notwithstand-

ing the fact that the law allows a race track meeting and the operation of the parimutuel you have a class of men who would sooner go on to the main streets, or into pool rooms, and bet through the agency of the book-makers. You are not going to check these, you are only going to send more people the same way, if you reject the other alternative for the control of betting that we have already. The effect of the adoption of the main resolution would not be at all to do away with betting, but it would do away with the safe, well controlled and well regulated form of betting that we have already.

There is another side to this question on which I would like to lay some emphasis before I come to the amendment, and it is this. In matters of prohibition and in matters affecting the ways of living of the individual, I think in this parliament we should be very careful, and when we can leave the matter to the different provinces to decide, we should not interfere. We live in a vast country; it takes six days to travel from one ocean to another, and when a man travels across the continent he has to change the hands of his watch several times before he reaches his destination. In different parts of the country we find different hours shown on the face of the clock, and we also have different mentalities and different ways of understanding life and of living. We agreed in the pact of 1867 that certain distinct matters must come before this parliament, but there is a great number of questions that we should leave to the different groups of people of the Canadian nation to decide for themselves. Some of the provinces are distant from one another. In the Maritime provinces they may have some special ways of understanding life that will not appeal to British Columbia. In my own province, loyal as it is and desirous to live up to the constitution, we have an understanding of life which is not perhaps similar to that of my hon. friend from Brant (Mr. Good). Let us deal with all these problems with great care. We know that the provincial governments of Quebec and of Ontario are deriving revenue from the races, and perhaps my hon. friend from Brant (Mr. Good) will say that that shows the grave extent of the evil. I say no. I say that it shows that in both of those provinces there is a great number of people who are anxious to go to the races and who think there is nothing wrong in doing so; and the higher revenue derived by both provinces appeals to the people although a great number of people do not approve of it. Why should this parliament pass legislation that would impose restrictions on that mass of people? Let the anti-betting apostles work in their own respective territories. Let them go to every province where public opinion is behind them, and they will meet with immediate success. But where public opinion is against them, as we know it is in at least two of the great provinces, why should they ask this parliament to impose the unwanted legislation on an unwilling people?

That is my view. I will not vote in this House to impose on the people of Ontario and of British Columbia legislation that they do not want, which I do not consider federal in character, and which involves a question that the provinces might well decide for themselves. I say that the prohibition of race track betting is that class of legislation. It may come under the federal authorities through the criminal code, but as far as this particular matter is concerned, I say it would be better to let every province decide for itself the question whether it should be abolished or not. Referring to the two amendments, I did not hear the discussion on the first amendment, but I know its contents, and I will be very candid in giving my viewpoint. It is not proposed to sidetrack the question at all. The effect is simply that, instead of plain abolition, as the hon. member for Brant (Mr. Good) desires we propose a form of better control, That is the way I understand it.

Mr. GOOD: If the amendment carries, would it not prevent the House voting on the question that I propose?

Mr. RINFRET: I cannot see it that way at all, but if my hon. friend wants to carry the main motion, there is only one thing for him to do, namely vote against the amendment. That is the way I understand it, and I am very frank about it. As far as I am concerned I am going to vote against the subamendment, as I think it has been introduced to confuse the issue and sidetrack it. I may say that that horse is out of it; it has fallen at the three-quarters.

An hon. MEMBER: What about the amendment?

Mr. RINFRET: I am coming to that. I will vote for the amendment for two reasons, first, because I believe in the amendment and not in the main motion, and secondly, because we should be consistent. I hope parliament will be consistent and adopt the amendment.

Mr. L. H. MARTELL (Hants): I have heard the argument submitted by my hon. friend from St. James (Mr. Rinfret). There

are many members on my own side of the House for whom I have great respect. One is the hon. member for St. James, and another, is my hon. friend from Cape Breton South and Richmond (Mr. Carroll). But when we are placing upon the statute book of this country prohibitory legislation, then I think my hon. friend from Brant (Mr. Good) has introduced a first-class piece of legislation, and I hope as a result of his resolution a law will be placed on the statute book. It is a great thing that we on this side of the House, led by my right hon. friend (Mr. Mackenzie King), can afford to disagree among ourselves on a matter of great public interest. The hon. member for Brant is introducing into this House a very important piece of legislation, and has argued forcibly I think in support of it. The hon. member for St. James has presented a good argument from his standpoint; but we are not getting fair racing as a result of the legislation that exists to-day. It is all very well to say that if we endeavour to put restrictions upon the racing of horses we are going to prevent the breeding of good horses in Canada. That is not the case. There is not a member of this House—not even the hon. member for Brant—who is against horse racing. I do not think he would say he is against it, but what he is opposed to is the fact that there is an organized system in this country of cheating the people at races. That is all there is to it. You go to a horse race and what do you find? You look at the odds. You have twenty to one shots and you have thirty to one shots; you have a certain horse which is placed at two to one, a second horse at certain odds, a third horse at certain odds, and I am very much convinced of the fact that there is some person who knows exactly what horse is going to win. That is what I think the hon. member for Brant (Mr. Good) is trying to prevent. He is not trying to prohibit good old-fashioned, honest horse racing which many of us have been accustomed to seeing. In the winter-time we could go to our pond or to our river and we could see farmers bringing out their horses. We could all subscribe a certain amount of money to furnish prizes for those horses, first, second and third. The passing of the resolution of my hon. friend does not prevent that. The same thing happens in the summer-time. You can go to a race track and you can subscribe prizes and witness a genuine horse race. That is the sort of horse race that encourages the breeding of horses in this country, but when we get back to the organized system of gambling legalized by parliament it is absolutely wrong. That is the reason I oppose it at the present time. I do not believe in prohibition in anything. I believe we were given by the Great Divine Creator a certain amount of reasonable intelligence, but this reasonable intelligence should not be permitted to be used in excess for the purpose of the aggrandizement of certain people of the country in order to make money at the expense of other people. For that reason I intend to vote for the resolution of the hon. member for Brant, much as I respect the hon. member for St. James.

Mr. L. J. LADNER (Vancouver South): Mr. Speaker, the hon. member for New Westminster (Mr. McQuarrie) provides in his constituency two tracks for horse racing on Lulu island, and from my constituency come frequently several thousands of people to fill the grandstands. It may be said that I would be embarrassed by either the motion or one of the several amendments, but I am not. The resolution in question is a straight issue whether we are for or against horse racing as it is carried on in Canada to-day under the law. To support the resolution means without question the elimination of horse racing in Canada, excepting in the small meets where these prizes referred to by the last speaker (Mr. Martell) are put up. To oppose the resolution would have the appearance of supporting a special privilege for public gambling protected by the Criminal Code of Canada. That is according to the wording of the resolution and I do not favour such an idea. The amendment deals with an entirely different phase of the question. It does not go to the principle of horse racing, whether it be good, bad or indifferent, but it goes to an abuse which I believe, is accepted by all thinking citizens of this country as being an abuse to be eradicated. The amendment to the amendment really reverts again to the main motion involving the principle of horse racing in Canada.

In this particular discussion, I do not consider that I am called upon to express my personal opinion. Personally, I am not much interested in horse racing, if you judge interest from the point of view of attendance. I believe my duty here to-day is to express the will of the majority of the people in my constituency and, as far as I can, of the majority of the people in British Columbia. Members from other parts of Canada will speak for their particular sections. British Columbia has considered this matter in a legislative way. The provincial legislature made quite a careful inquiry into the question

of horse racing, its advantages, its disadvantages, its abuses, and all the merits and demerits attributable to this particular enjoyment. Representations were heard from all public bodies for and against horse racing. The owners and those interested in the tracks and horses appeared before a committee of the legislature and the people at large placed their views before that body. After very careful consideration of the question extending over a lengthy period of time, the provincial legislature arrived at a decision which was in the nature of a compromise. They reduced the days of horse racing in British Columbia from seventy-two to forty-four; a very large majority of the members of the provincial legislature agreed to that legislation, and it has become the law of that province as regards horse racing. The motion of the hon. member for Brant (Mr. Good) would seek to impose upon the provincial legislature of British Columbia the super-authority of the Parliament of Canada on the self-same problem which that province has considered and decided upon. In that regard the hon. member for St. James (Mr. Rinfret) expresses my view. The people of one province may think one way and the people of another province may think another. It is not good policy for this parliament to seek to undermine the decision of a province by legislating on the same principle indirectly through the Criminal Code instead of by direct legislation. The people of British Columbia through their representatives in the provincial legislature having decided upon this question, I believe as a matter of policy that hon. members from British Columbia should be guided by that decision rather than by their personal will and judgment.

I do not propose to say anything on the moral aspect of the question. I would, however, point out that in some speeches to-day the extremes of the gambling side and also the extremes of the raising of good race horses have been put before this House. In my judgment, in horse racing there is an element of both judgment and chance. It is not gambling in the sense that lotteries are gambling as you find them in France and in many other countries. Business men in almost every activity in life engage in gambling from the time they step into their office until they leave, if the element of chance is to become the determining factor plus the element of judgment. When our friends from the prairies sell their crop of wheat in the fall—and perhaps many of them are hedging or selling short or long at the present time on wheat—there is in that far more element of chance than element of judgment. The element of judgment is more prevalent and there is greater opportunity for exercising it in horse racing than there is on a wheat market especially as it has been during the last few weeks. It is not, however, my intention to elaborate on that point. As I say, the legislature of British Columbia having decided this question after hearing all parties interested, I do not propose to aid by my vote a motion which seeks to superimpose upon British Columbia the will of the Parliament of Canada.

Mr. ROBERT FORKE (Brandon): Mr. Speaker, we seem to have got into a tangle through the motion, the amendment and the amendment to the amendment. I may say, before I go any further, that I intend to vote for the amendment to the amendment. I will vote against the amendment, and if both are defeated, I will vote for the resolution. I listened with a good deal of interest to the speech delivered by the hon. member for St. James (Mr. Rinfret). He made a very clever argument, but in my opinion he started from a wrong premise. He started on the assumption that betting was right in itself, and consequently all his argument was built upon a false foundation. I agree, however, with the sentiment that, perhaps, in modern times we are too fond of legislation. I think I repeated the phrase the other day, "Anxious for legislation but impatient of law". And that I think is a weakness of modern civilization; we are too anxious, generally speaking, to tie ourselves up with laws. In this particular case however, I look upon the matter in an entirely different light. There are questions that are fundamentally moral, and of course I admit the right of everyone to judge for himself so far as that is concerned. But in the matter of betting I do believe that this practice, as I know it to be carried on, is immoral in principle, and therefore I can do nothing else conscientiously than vote against the legalizing of what I regard as a moral wrong.

9 p.m.

It has been suggested that some in this House are against horse racing, but I do not think that this is so. After all, what is a horse race? It is simply an effort on the part of one animal to outspeed another in a set race, and so far as I have had any experience of horse racing it has always struck me as being not so much a question of speed as a matter of fairness and honesty on the part of the riders, and also of the closeness of the contest. How much difference does it make in a race unless you have a stop watch? The trouble with modern racing is that it is not conducted as a test of the speed of horses but merely as a

means of settling bets, and that is what destroys horse racing as a sport. Now, I want to say a few words about sport, for I think that sport is one of the finest things in human life. And that is a broad statement to make. I like to see sport among young people, and there is no better phrase we have to-day than the one we use when we speak of playing the game. What does "playing the game" mean? It means playing fair; and in the school yard, in the large arena of sports generally, one of the finest things in Canada to-day is the fact that everyone wants to see sport carried on fairly. We admire those who when they win can take victory with humility and those who when they lose can look upon defeat with courage. That is the kind of thing we call sport. I wonder how many members in this House will say that racing as it is conducted to-day is in reality what we can call clean sport? Conscientiously speaking, I do not think it can be so described. Rather, judging by what I have seen of racing, I am inclined to think, as one hon. member has already said to-night, that often it is known beforehand what horse is going to win. This would not be so if it were not for betting.

As to the argument that horse racing is necessary to encourage the breeding of good horses, I would dwell on that point for a moment. I have had some little experience in my early years in the raising of race horses and I know something about thoroughbreds. Let me tell hon. gentlemen that no one can afford to breed a racehorse unless he is a very wealthy man; and I will say why.

Mr. CARROLL: Or unless he has a good horse.

Mr. FORKE: Wait a minute and let me explain; I know what I am talking about this time at any rate. I can speak about running horses; I am not referring now to harness horses. I know, that when you breed horses for racing purposes you may breed about twenty colts, or even fifty, before you get one that will win a race. On the other hand, when you raise a horse for harness purposes, for working in the field, even though he may have some blemish or may be weak in some spots he can always be sold for what he is worth. When you raise a running horse, however, unless he is speedy and without blemish, he is likely of not much account for anyone. And there is the difficulty in producing racehorses. So that horse racing, if it is to be conducted as a clean sport, will always be undertaken largely by wealthy people. The other sort of racing that has been alluded to in this House to-night, that is to say, racing at country fairs and local meets, and events of that sort, is, I think, about the cleanest and best sport we can find in the country in connection with what I would call legitimate horse racing.

Allusion has been made to-night to gambling in other respects than racing. Now, I come of a race which perhaps is just as fond of money as any other, but I for one do not want anything for nothing; I want to give value in return for any money I receive, no matter in what way I get it. And I sometimes think, when I have gone out to the races and have seen betting going on, that if the people who felt jubilant over their winnings could come face to face with some of those from whom they got their money, they would not be so happy after all. No one who has gone to the race course and watched some of the scenes that take place there, the heartburnings, the soreness and the disappointments, can feel much joy in any winnings he has made. Getting something for nothing will not tend to make anyone happy; you will find it a law of life that no happiness will come in any other way than in rendering some service, and I could never appreciate any money that I got from anyone for which I did not give value in return. I know that there is something in human nature that inclines us to take a chance, as we say. I believe the hon. member for St. James (Mr. Rinfret) alluded to that fact. Well, do you not think that there is enough in human life in the way of taking chances without artificially manufacturing games of chance? It seems to me that when one takes a chance at legitimate work he endeavours to give some service to those around him, to do something for his family and for humanity. He may fail in his endeavours and lose in the fight, but at any rate his fight was honest, and his intention was rather to give some benefit in return for what he received. It needs courage to be a good gambler. You have heard of "poker face." I do not know anything about poker, but I do know that poker face is a mask that can hide the feelings that are behind. Hon. gentlemen may laugh, but while I do not know anything about this form of activity, I do know that the man who has gone in for that sort of thing loses his feelings to a large extent; at any rate, he feels no sorrow for other people, as he probably would in other walks of life if he happened to make some success through another's misfortune.

I cannot agree to give betting a legal status. I know very well that you cannot make people moral by legislation; I admit that. I grant, too, that perhaps it is a wrong idea that you can make laws to keep everyone walking along the straight and narrow path. But when you find the government going out of its way in the Criminal Code to provide special legislation for one particular thing in this category, I am inclined to look upon it with suspicion and to wonder what the reason is for such legislation. There is a difference between gambling and what we may call speculation. Speculation may not always be right in itself, but it is quite different from gambling. I would remark to my hon. friends to my left, in this connection, that we in the west know what speculation really means. When the western farmer goes out and sows his seed in the spring he is speculating to a certain extent upon the harvesting of a crop. At the same time, he is not robbing anyone; he is trying to raise a crop that will be of value if he is successful. So you cannot compare the taking of a chance in that way with gambling.

Allusion has been made to-night to wheat gambling in the pit, on the grain exchange. Mr. Speaker, I am just as ready to condemn wheat gambling as I am to condemn horse gambling. I believe it is utterly wrong in principle and bad in practice. If any hon. member here had in his employ a young man who was speculating in futures or gambling on the race track he would not entrust him with very large sums of money, and that in itself, I think, is proof that there is something dangerous and wrong in the habit of gambling.

I do not intend to say anything more, because I do not think I can add anything to the arguments that have been presented here to-night. I do not want to set myself up as a Puritan. I know there are certain weaknesses in human nature and that if you attempt to tie people down too tight they will find an outlet in some other direction. But I do believe this thing is wrong in principle and that it should not be recognized by the government of this country; therefore I am prepared to vote for anything that will curtail what I consider to be an evil in itself.

Hon. S. F. TOLMIE (Victoria City): Mr. Speaker, I have listened with a great deal of pleasure to the discussion which has taken place on the resolution offered by the hon. member for Brant (Mr. Good). He proposes in that resolution entirely to eliminate horse racing as it is carried on in this country, for this reason: that it is well known that to carry on horse racing under present conditions, to offer the large purses that are given in connection with horse racing, there must be a source of revenue other than that which is derived from the gate. In that connection an added revenue is secured from the commission paid on the pari-mutuel machines. If we did not have this, then, we could not offer the large prizes that are at present given and we would be unable to secure the best horses in competition with the United States and therefore would not be able to put up the high quality of racing that is found on many of our tracks to-day.

Mr. DENIS (Joliette): What is the commission charged, or what is the rake-off, on the pari-mutuels?

Mr. TOLMIE: That is all to be found in the criminal code—the different percentages that are charged. Ontario charges a tax of five per cent on what is taken in through the pari-mutuel machines.

With regard to the various amendments which have been offered, the sub-amendment, I think, is a rather ingenious one because after it patches up the amendment to a certain extent it remains with practically the same effect as the original resolution; it would cut out horse racing altogether. I do not propose to support that.

So far as the handbooks are concerned, there is no one interested in legitimate racing who does not wish to have handbooks wiped out entirely. It is a fact that in the city of Ottawa to-day and in every prominent city in the whole of Canada—the same is true of the United States—you can go down town any day and bet on a race at Tia Juana, Mexico; Miami, Florida, or Lexington, Kentucky, where races are being conducted at the present time. That is the sort of thing that the person who wishes to gamble has access to every day, and it is a very injurious thing. It is quite different on the race track, where racing is continued only for a very short time, a week or ten days in the spring, perhaps, and then no more opportunities until the following fall. That, I repeat, is a quite different thing from the handbook system.

As I said a moment ago, it is utterly impossible to conduct racing on a high scale without a certain amount of betting. Betting on horse races is permitted in every part of the British Empire. The hon. member for Dufferin (Mr. Woods) this afternoon called attention to the fact that we should bring up our young people in this country as well as possible. I quite agree with him on that point,

as well as on many of the other points he brought out in regard to the moral phases of the question. But I would ask him this: Can we expect to bring our young people up any better than the young people of Great Britain are being brought up, where they have carried on horse racing for hundreds of years, and where, indeed, pure bred horses really originated?

As to the estimate of the amount of money bet on race tracks, you will see statistics which, it is alleged, show that $36,000,000, $50,000,000 and up was bet in one year, with the additional statement that the most of this money went to the United States. But what evidence is there that this has taken place? How can you tell how much new money has actually been bet? You can go to the race track here at Connaught Park with a two dollar bill and if you are fairly lucky you may come home with your two dollar bill after the seven races are run. Or you may make a little money, or you may lose your two dollar bill on the first race. It is a very difficult matter to estimate the amount of new money that is wagered on an occasion like that.

As to the remarks of the hon. member for New Westminster (Mr. McQuarrie), he is a brother British Columbian. He has distinguished himself in his knowledge of law; he has distinguished himself in this House in his knowledge of sockeye salmon. He proved himself some years ago to be a very great lacrosse player. But when it comes to horses he needs to take a night course in some school. I was very much astonished to hear him say there were no Canadian horses racing at the coast meetings; that a gang of fellows, blacklegs and others, came up from California and elsewhere, swept up all the money and then went out. Do not think for a minute that British Columbians are as easy as that. I know of several strings of Canadian horses that are racing at the coast. I know of horses from the big E.P. ranch south of Calgary, owned by the Prince of Wales. Horses are bred in the interior of British Columbia, horses bred at the coast, horses that come from my own town of Victoria, are competing in these races on the mainland and on the island.

An. hon. MEMBER: Do they win?

Mr. TOLMIE: Win? Certainly, they get their share. With regard to the nature of the racing carried on there, I feel that the hon. member is rather too severe in his criticism. I quite agree with the action of the British Columbia government, however, in regulating the racing rather than introducing legislation such as we are considering here to-night, which has for its object the utter elimination of racing. We know that racing has been carried on for many years in Great Britain, in Australia and in New Zealand under careful regulations and that it is under those conditions one of the cleanest sports that you could have anything to do with. In British Columbia they have cut down the number of days' racing from seventy-two to forty-four, on the ground that seventy-two was too much, and I agree with them.

We have heard a good deal of criticism regarding this racing business; let us look for a moment at the other side of the question, and deal with some points that have not yet been touched on to any great extent. In the first place, racing is one of the most popular sports, properly conducted. Let me say that I have not one dollar invested in any race horse or any race track. I am speaking on this question as I do because I feel that the people should be allowed to judge for themselves to a certain extent; that they should not be legislated around in their daily life as we are trying to do in connection with some other matters.

This sport of racing is backed up by a very important and growing industry, that of horse breeding. It is proposed to wipe this out entirely. When we realize that during the year 1924 there were in our country no less than 2,000,000 patrons of race tracks it will readily be seen that there is some force in the suggestion of the hon. member for St. James (Mr. Rinfret) that this is a big country and that we should consider all the people and their wishes in matters of this kind. It is estimated that only 75 per cent of the people who go to a race track bet on the races through the machines. There are many others who do not go to the machines at all, but pass the hat around, form a pool and do a little betting, but 25 per cent, it is estimated, do not bet on the races at all, but simply go there for the pleasure of looking on. This betting on racing, taken on the whole, I feel is not done by the average visitor to the race track for the purpose of getting rich, for the purpose of making money, but rather for the purpose of an added thrill to the interest in the races. A party of four or five will go out and put in the afternoon making small bets, such as $2 on a race, have an enjoyable time, compare their winnings and losses on the way home and it adds considerable interest to the afternoon's sport.

There is one other very interesting feature in connection with race track betting, and that is that whereas when the pari-mutuel system was first introduced larger sums were bet to a very great extent; nowadays on

many of the big tracks it has been found necessary to remove many of the big betting machines, and there has been a very much greater demand for the smaller or two-dollar bets, indicating that people are not betting to make money on the races but to give an added interest to the afternoon's sport.

We have at least $6,000,000 invested in race tracks in this country. It is proposed by the resolution before us to wipe out this investment entirely, to make it perfectly worthless. Ontario derives a revenue of something like $4,000,000 a year from her race tracks. This is a very important revenue. They charge $7,500 a day on the mile tracks, and $2,500 a day on the smaller tracks. In addition, there is an amusement tax, and in addition to that five per cent of the amount of the money that goes through the machines also goes to the province.

There is another very important phase to this question, one that is sneered at sometimes by those who are perhaps not as well informed, and that is the important part that racing plays in connection with the breeding of horses, particularly the thoroughbred horse, the hunter and the saddle horse. We have horse breeding establishments in Canada extending from Quebec to the Pacific coast. Perhaps the most prominent is the E.P. ranch south of Calgary, owned by the Prince of Wales, where he has established a first class stud of thoroughbred horses. These breeding establishments vary from those owning a single mare to other establishments where there is an investment of half a million dollars. My good friend from Brandon (Mr. Forke), the leader of the Progressives, a few moments ago suggested that the breeding of thoroughbred horses was a very precarious thing. I will admit that. The breeding of any kind of a horse is a precarious thing, for any horse might be unsound; it might be born unsound, or suffer from a blemish later on which will greatly reduce its value, but if you are breeding and have established a stud of horses, very carefully selected, you can get rid of your stock without expending a single dollar on training at all, simply by selling them on their pedigree, on the results of what their sires and dams have done, and what the offspring of these particular animals have been able to do on the track. If you have good stock, you will always find a ready sale for them.

I may say that over $2,000,000 in purses was divided among the race horse owners in Canada during the past year. It has been suggested by some of the speakers that nearly all of this money went to the United States.

[Mr. Tolmie.]

It may perhaps be of interest to you to know that of all the stables that raced in Canada last year the two largest winners were Canadian stables, one of which won between $90,000 and $100,000. That was just simply in purses, or what was offered by the race track owner. At the Woodbine track in Toronto, $70,000 was offered in purses to Canadian breeders. Only horses bred in Canada were permitted to compete in these races. In addition to that, they have offered special prizes to the breeder of the winners of some of these big races, with the result that one man located in Ontario who owned only one thoroughbred mare produced a winner in one of these races and was promptly handed a cheque by the Ontario Jockey Club for $500 as an encouragement to go on and breed more good horses. The Ontario Jockey Club, composed of four different associations, have rendered a very valuable service to the horse breeders in this country inasmuch as they have spent a lot of money in the importation of first-class thoroughbred stallions from the Old Country. These animals are rendering excellent service in the improvement of live stock in this country, and all this is carried on absolutely at their own expense. In adition to that, they have offered a number of prizes to horses shown at the various exhibitions. You will all understand that in producing a first-class saddle horse or high class hunter, you must have a thoroughbred cross in order to get that fineness of quality so much desired in the fine saddle horse or hunter. From the purebred you get speed and stamina, the ability to travel over rough country, take high fences and water jumps at a good speed, and at the same time be able to go the distance; and in no other way can you get it.

The United States government, recognizing the value of improving the quality of hunters and saddle horses, is spending $250,000 in assisting in that work. The breeding of the thoroughbred horse has been taken up to a considerable extent by the states in the south, particularly in Kentucky, California and some other states, but it is from Great Britain that the very best horses come. It is to Great Britain that owners from the Argentine, the United States and other parts of the world go when they wish to secure fresh blood of high class quality. They have built up a big industry in both these countries I have mentioned, and also in Australia, where they pay thousands of dollars for horses. We shall find conditions in Canada just as good when racing is as well regulated as it is in

these other countries, and we shall have an excellent market here for the raiser of pure-bred horses.

While, as I have pointed out, the effect of the resolution before us to-night would be to destroy absolutely horse racing in Canada for the reasons that I have already given you, it is interesting to know that my good friend from Brant has not introduced into his resolution anything to overcome gambling in the wheat pit or on the stock exchanges, or gambling over the bridge table which takes place in every city of Canada from one end to the other every night. If you are invited to a bridge game in any recognized house, and you will not play for money, that will be the last invitation you get.

Mr. GRAHAM: Mah Jongg, too.

Mr. TOLMIE: There is nothing in the resolution about those handbooks that are doing so much harm all over this country from one end to the other. If you are going to wipe out gambling, let us get together and be consistent and wipe it all out at once. I have here a little clipping taken from a paper in Florida in which Clarence Darrow, a well known lawyer in the United States makes a few remarks in regard to racing.

Mr. MARTELL: Have you got the opinion there of Mr. Calder, of Montreal, with regard to Mr. Darrow?

Mr. TOLMIE: I will just give you this first, and take a chance on Mr. Darrow later.

Mr. LAPOINTE: Calder will be with you on this.

Mr. TOLMIE: Mr. Darrow says:

I have greatly enjoyed visiting the track. Most people come to Miami to be amused, and I know of no better source of amusement, and I am glad, for one, that the visitors here have an opportunity of seeing the races. The few people who hold out objection to racing always remind me amusingly of the story of why the Puritans abolished bear-beating—not because it was cruelty to the bear, but because it was pleasure to the onlookers. And I thought the modern American was ahead of that feeling.

It's funny, the trend of the mind. A lot of people seem to think that a bet on a horse race is a sin, and never stop to think that practically everything in life is a gamble. One is encouraged to buy real estate on the chance that the value will go up, or to take a chance on the price of grain or stocks and bonds rising, and no one thinks anything of it, and yet there is no comparison as to the amount of money lost or won.

All business involves a large element of gambling One buys something in order to sell again at a profit, with no certainty that such will be the case. Practically all one's life is a gamble. In fact, if the speculative element were removed there would be little left to live for. That is life.

I do not believe that we can remedy the situation by eliminating horse racing altogether. That would be a very sad result, particularly in a country like this where there are so many British born people with whom this pastime is so extremely popular. I think that in order to meet the whole situation as we find it there should be, not only with respect to horse racing but as regards many of the other lines which I have mentioned, a real campaign of education in which the churches should take a very active part and that we should receive the support of the people who are in favour of carrying on that work.

The resolution would wipe out betting on horse racing altogether; it would wipe out the races, but it would not stop the handbook gambling that is taking place every day. I feel that it would be much better to have what betting we have carried on in this country, if the law is strictly carried out, and to have that betting out in the open as we find it on our race tracks and under proper supervision, than to have it carried on in the dark as is the case with handbook betting. Personally I am strongly in favour of the strictest regulations being applied; you will not find any friend of regular racing who desires to encourage in any way anything improper on a race track. Every one of these persons feels that if racing is to be sustained in this country it must be carried on on the square and out in the open, and I am a very strong supporter of that feeling. In Australia and Great Britain this has been accomplished for a number of years, and by the exercise of a little intelligence and a careful application of our laws we can get the same result in this country.

In Victoria city, which I have the honour to represent, we had a plebiscite on racing in 1922. The vote went in favour of racing by two to one, and a mayor who had been in office during the previous year, and who was strongly opposed to racing, was sent home at the next election with a majority of three thousand against him. I may say that in that city we cater to the tourist trade to a very great extent, and that other legitimate amusements that we can provide there provide added attractions in our city for these tourists. As for the legislation recently passed in British Columbia for the regulation of racing I am heartily in favour of it. I think it is a move in the right direction. I do not believe we can get any good results by putting on the prohibition suggested by the resolution. We know that in the case of the prohibition of liquor, both in the

United States and in this country, it has failed to a very great extent in many places. It is by a campaign of education that we shall get good results rather than by adopting the spirit of the resolution which we are considering this evening.

Mr. JOS. T. SHAW (West Calgary): I rise in the first place for the purpose of defining, if I can, the issue, and secondly for the purpose of making my own position clear in connection with the various and embarrassing amendments now before the House. Many of the hon. gentlemen who have spoken, including the hon. member for St. James (Mr. Rinfret), seemed to be entirely off the track so far as the issue is concerned. The issue, as I understand it, is not whether or not betting shall be prohibited; the question is whether or not commercialized betting shall be prohibited. The criminal code does not prevent, nor does my hon. friend the member for Brant (Mr. Good) seek to prevent, betting between two individuals who go to the race track and have their bets. If I understand the hon. member for Brant aright, that is not his purpose at all. The law now does not prohibit individuals betting with each other, any more than the law prohibits people from playing bridge with each other as the hon. member for Victoria City (Mr. Tolmie) has suggested. The law does not prohibit gambling, if you want to call it so, of that kind, unless it is carried on in a common gaming house—unless there is somebody making a profit out of it other than the players themselves. The same situation exists, as I understand it, in regard to betting. The law prohibits commercialized betting but it does give a special privilege to racing associations. Personally I am against privilege of every kind, whether it be that privilege to violate the law that is now reserved for the betting associations, whether it is a privilege which is given by means of a protective tariff, or whether it is a privilege given in any other direction. And so I say to hon. gentlemen who seem to think this is a matter of trying to stop betting that they are shooting entirely beside the mark, because that is not the question at all.

So far as the resolution is concerned I am heartily in accord with the hon. member for Brant; I shall vote yea on that motion. But now the hon. member for Skeena (Mr. Stork) comes along and he proposes something with which, on one phase alone, I am in hearty accord also. His amendment has two horns to it. By one he proposes to wipe out the resolution itself. To that extent I am opposed to his amendment. In the second place he desires to institute some measure which will eliminate the hand-book evil so-called. To that extent I am in hearty agreement with the amendment proposed by the hon. member for Skeena, and consequently I find myself confronted with this situation on the amendment—part I am in agreement with, and part I differ with. Under the circumstances I must necessarily vote against the amendment although I admit frankly there is a portion of it with which I am in sympathy. I trust that if the amendment is rejected by the House the Minister of Justice will not take that as a mandate from the House not to introduce the amendment which he proposes to the criminal code for the purpose of eliminating the hand-book evil.

Now with regard to the sub-amendment. The sub-amendment proposes to restore the situation so far as the resolution is concerned and seeks, by a rather ingenious method I think, to bring before this House the original issue which was presented to it by the hon. member for Brant. I think it is unfortunate that by this trick of fortune the House is prevented from passing its judgment on the main issue which is now before it—I think it is an unfortunate thing. I do not suppose for a single moment that the hon. member for Skeena intended that should be so, but nevertheless that is the actual situation—we are prevented and effectually prevented by the terms of the amendment—if we desire to support the amendment with which some of us at least are partly in favour—from expressing our opinions on the original resolution. Therefore as far as I am concerned I shall vote for the sub-amendment. If it carries and is tacked on to the amendment I shall have to vote for it. If the sub-amendment does not carry I shall vote against the amendment.

Some hon. MEMBERS: Oh, oh.

Mr. SHAW: I should like to remind my hon. friend from St. James that I am on the track this time. If the amendment standing by itself does not carry and I have the opportunity of voting on the original resolution I shall vote in the affirmative.

Mr. A. J. LEWIS (Swift Current): I would like to define my position on the subject before the House at the present time. I also feel myself in rather an embarrassing position, because there is a part of the amendment which I would like to support. Yet at the same time I also feel that I would have liked to have given my vote in favour of the original motion. I am not so charitable as the hon. member for West Calgary (Mr. Shaw) when he suggests that the hon. mem-

ber for Skeena (Mr. Stork) brought this motion before the House not thinking it was going to put the original motion out of the way. So far as I am concerned, it seems to me as if it was a deliberate action to prevent the motion going before this House; and for that reason I am sorry that he has confounded the issue as he has done. The hon member for St. James (Mr. Rinfret) says there is an element of gambling in all things. Perhaps that is true. He says "there is gambling in politics, and perhaps in the near future some of us will realize that politics is a gamble." I quite agree with him, and his side of the House will also realize that it is a gamble. It may be a gamble for people who are entering into politics, but it is a bigger gamble for the people of Canada who place men in parliament and expect them to pass reforms for the upbuilding of the country and welfare of the people, and also expect them to carry out resolutions and pledges that they gave to the people some years ago. My hon. friend from Victoria City (Mr. Tolmie) said we should not support the measure of my hon. friend from Brant (Mr. Good) because of the great number of British people that are in this country. I think the British people can speak for themselves. I should like my hon. friend to speak as a Canadian and not throw the blame on the British subjects who have come to this country. It is only a few days since the hon. member for Fort William and Rainy River (Mr. Manion) deplored the fact that people who come to this country were speaking in regard to a certain constitutional issue and said if anyone was entitled to speak on that matter, it was the Canadians and not the people who have come from other countries; for that reason they both take different issues.

I want to speak for a moment or two with regard to race track gambling. The hon. member from Victoria City endeavoured to show the benefits that would accrue as a result of permitting horse racing and betting at the same time. It seems to me his argument is equivalent to this, that without betting there is not sufficient interest in horse racing to make it worth while. If that is the position, then the sooner horse racing is abolished the better. If you have to depend on the weakness of individuals in order to make horse racing a success, then the sooner it is eliminated from our national sport the better. So far as hockey, soccer football and other sports are concerned, which I delight in and love to witness, it is not the betting on the games that I enjoy. If there is such a thing as intrinsic value in sport, it is the play, the manliness of the players and the skill that they put into these things that make it worth while, and I have no doubt that if the pari-mutuel machines were eliminated horse racing would still go on. There is enough of the spirit of the sportsman in our country to induce our British and Canadian people to go to the races for the real love of seeing good honest, clean horse racing.

There is another feature in regard to this betting, and I believe every member in this House knows of it: that wherever you find betting permitted, whether on horse racing or other sports. there is always a certain element that goes along with the betting coming from different parts of this and other countries, which is not always desirable in the interest of good citizenship. The authorities recognize that this element is coming along, and therefore police forces are provided, and they have to take special precautions to safeguard the public at the races. For that reason it would seem to me that if we could eliminate betting this class of undesirables would not be found at the race track.

We have been told that there is an element of gambling in all things; there is an element of gambling in buying and selling wheat. I may say that, so far as western Canada and the growers of wheat are concerned, there is an organized and systematic effort through the wheat pool to eliminate that evil, by eliminating gambling on the grain exchange. This wheat gambling is not done by the men who grow wheat to any large extent. It is done by people who are endeavouring to manipulate the market from outside. As far as the average individual is concerned, there may be a speculative feature in growing wheat, but it is for an honest purpose, to supply the needs of humanity and to furnish food. You cannot say that the element of betting and gambling at a race track is for the purpose of improving the race or of benefiting the people at large. For that reason, I think it is well for the people of Canada to realize that it is a very significant fact that the people who are in power at the present time have side-stepped the issue that has come from the churches and the great moral forces of this country for the elimination of race track gambling. It is just as well for the people to understand that there is always an element of gambling in sending men into our legislative bodies to interpret the wills of people. The people have spoken with no uncertain sound. But we find very little has

been done. I say that 170 people were elected in this country on a free trade basis, and they were expecting that as a result there would be a lowering of the tariff and that there would be economic administration, but they have gambled on a hundred to one chance and very little has been done.

The hon. member for St. James (Mr. Rinfret) stated that two years ago parliament voted in no uncertain way on this matter, that there was a majority of twenty against the proposition, and that we have not changed. You do not know whether we have changed or not. We never stand still in Canada so far as this corner of the House is concerned. We are going forward and onward. It may be that the reactionaries think things are at a standstill. But in Canada the Progressive party believe in going forward, and for that reason, my hon. friends themselves will realize that they are also being weighed in the balance, and if in the balance of public opinion they are found wanting, they will realize that the Canadian people may be played with for a certain time and hoodwinked into believing in pledges. But it is only in action that we get the things that we want done, and when the people of Canada have spoken with no uncertain sound through the churches and the moral, social and reform councils, I think it is time for us as the representatives of the people, for that is what we are in the final analysis, to do as the people desire. Therefore, if I have the opportunity I will vote for the amendment to the amendment, and if the two amendments are got out of the way, I will give my vote for the original motion.

Mr. HAROLD PUTNAM (Colchester): On the majority of occasions in this chamber I like to be ranked with those who give a silent vote, when that vote is not ambiguous and has the meaning simply of an ordinary vote. In such cases I for one am content to let it pass; but with this unusual and strange mixture of amendments following a motion, one is under the risk of being misunderstood by merely casting a bare and unexplained vote. I have received representations too many and too important upon this question to allow myself to be under any such misunderstanding to-night. At the outset of my remarks which, I will say for the relief of all, will be very brief, I do not see any need of throwing any shadow of bad faith upon the amendment or the amendment to the amendment any more than upon the motion itself, which I accept from the hon. member for Brant (Mr. Good) as entirely one of the utmost good faith. It is unfortunate that we are in something of a complexity, almost phenomenal, as respects the order of the amendments that have been offered. There is no attempt at dissimulation in the matter, because the hon. member for Skeena (Mr. Stork), who moved the amendment, very frankly supported the pari-mutuel at the race tracks. I cannot agree with him as to the justice or equity of allowing that state of affairs to go on. I voted a couple of sessions ago with the position of the hon. member for Brant. I do not know that there was any great wisdom in the question being repeated in the same terms; but now that it is repeated, I have only one duty and it is the same duty which my conscience told me to follow then. The hon. member for Skeena appeared to argue in favour of the pari-mutuels on their merits. I could not follow him in that, and he wished to summon to his aid Lord Rosebery, reasoning from the analogy of his conduct in England that he was impliedly a supporter of the pari-mutuel in Canada. The hon. member cited three great ambitions of Lord Rosebery. One was that he wished to marry the wealthiest woman in England, second, that he wished to have the fastest horse at the Derby in England, and third that he wished to be Prime Minister of England. I do not think any intelligent critic, writing a life of Lord Rosebery, could cite those three things or any one of them to his credit, but he would rather put that down as a weakness on the part of Lord Rosebery. If he had for his particular ambition to marry the richest woman in England, or to have the fastest horse, I think his third ambition to be Prime Minister of England would probably proceed from the motive of vaulting, personal ambition rather than from any really sincere desire to serve his country.

I am told that the amendment would banish far more evil than would the motion itself. That may possibly be so, and I am told that the newspapers coming over from the United States and publishing the tips, selections and information on races in various other parts of the continent for the year round, produce far more betting than the pari-mutuel machines for the few weeks they are conducted on Canadian soil. Even if that be true, the fact is that the government have nothing like the direct responsibility for the former that they have for the latter, for in the latter, as they take about a million dollars and give it, I believe, to the government of Ontario, I consider that the administration becomes very directly an interested partner in the institution of betting itself. I have little to add. I am going to support the amend-

ment to the amendment as being the nearest approach which lies before me to help the hon. member for Brant in repeating the ambition that he had two or three sessions ago. If that fails, I shall take the same course seriatim as has already been indicated by those who are allied with my belief in this matter.

Mr. L. J. LOVETT (Digby and Annapolis): Mr. Speaker, I did not intend to take part in this debate; but owing to the complications that now surround the question under discussion in the form of a main motion, an amendment and an amendment to the amendment, I find myself in a very embarrassing position in regard to my vote. For instance, supposing I wish to vote for the main motion, naturally I will vote against the amendment and the amendment to the amendment. But if the amendment to the amendment or the amendment carries, I would be debarred from voting for the main motion. Therefore, the only course open to me is to place myself fairly on record as being in favour of the resolution moved by the hon. member for Brant (Mr. Good). If I have an opportunity I shall certainly vote for that resolution, and in doing so I feel I shall be carrying out the wishes and desires of a majority of the people whom I have the honour to represent.

Mr. T. W. BIRD (Nelson): Mr. Speaker, the nature of this subject compels me, almost against my inclination at the present time, to say a few words. I have been interested in ethical questions a great proportion of my life, and it does not disturb me
10 p.m. very considerably to see the difference of opinion that has developed in this debate. The hon. member for St. James (Mr. Rinfret), I think, drew attention to the difference of viewpoint there is in a country like ours on a matter of this kind. That is a very significant point to draw attention to. I believe on questions of this kind there is the need for a large degree of mutual toleration. We are in a position where we are apt to get in exceedingly wrong with each other unless we do exercise the utmost degree of toleration, because the differences in viewpoint are extremely divergent and fundamental. I listened some days ago to the arguments presented on the other side of the House against divorce. They were not arguments that appealed to my way of thinking; but nevertheless I listened to them with great respect, because apart altogether from their intrinsic merit, they impressed me with the thought that in this country, whether one way or another, the great mass of the people are intensely interested in social ethics; that is, we are all keenly interested in the moral advance of Canada. I think that fact, when we rightly apprehend it, ought to take from our minds any undue degree of disturbance at the thought that we are so much apart in our views. As long as we keep the main fact before our minds there is a hope that some day we shall approximate in our views as to what is best for our country in these respects. We can readily see how easily we get adrift and out of our depth. The hon. member for St. James, I think, said that this thing is not wrong in itself. I wonder if the hon. member could tell me of anything that is wrong in itself. I doubt it. I hope he will pardon me for saying that that is an old woman's argument. I say that with the utmost deference both to the hon. member and to the old woman.

Miss MACPHAIL: Why not an old man's argument?

Mr. RINFRET: I was going to rise and protest myself. I wish I had the wisdom of some women.

Mr. BIRD: I expressed my deference and I also offer my apology to the old woman.

An hon. MEMBER: In this House?

Mr. BIRD: I am afraid I am treading unwittingly on very thin ice. However, I know a great many elderly ladies of my acquaintance who would hesitate to use that argument. When I think of that argument I am reminded of certain things that are seemingly bad and really bad in themselves. Take for instance a bad egg. A bad egg may perhaps be regarded as a very good brand of sulphuretted hydrogen; and one of our great English writers has said that the mud you scrape off your feet before you go indoors is a wonderful compound of elements that are simply marvellous in their crystalline beauty. But I like to look at these things in a commonsense way, and I call mud dirt and a bad egg a bad egg. Similarly, I believe that gambling is a degraded form of the sporting instinct of humanity. Let us call a spade a spade. I think, myself, that the collective conscience of mankind is gradually coming to see this matter in this way. The hon. member for St. James got a bad start, and perhaps he is a little behind in the race in this respect.

Mr. RINFRET: Make your bet.

Mr. BIRD: I am afraid we cannot avoid discussing this question from the standpoint of our personal views of what is right and wrong, because after all that depends on what

is inherent in the member for St. James and in myself; the upbringing we have had, the culture that has been ours, determines in a large measure our habit of thinking in this regard. It is therefore not seeming in either of us to quarrel about that. But we can bring the question into another sphere where there is not, or where at least there ought not to be, so much controversy, and that is into the social sphere; and we can view it from the standpoint of the good or harm the practice of gambling does Canadian society, leaving the ethical side out of consideration. The thing may be right or wrong in itself, but is it right as regards the welfare of Canadian society, especially the rising generation? We can see the attitude that prevails here from certain remarks that have passed. One hon. gentleman says that you cannot make people holy by law. That is true. Again, however, if you look at it in a commonsense light, you cannot make a field grow a crop of wheat by putting a barbed wire fence around it; but you must have a fence if you want to grow wheat. And the same is true in the realm of social ethics; there are certain things you cannot do by law, but you must enact laws in order that they may be done. It is therefore beside the mark to say that you cannot make people good by law. I should be sorry to think that this was true, because I want to feel that a good many of our legal enactments are salutary and that their ultimate result is to give the people a chance to be as good as it is possible to be in a world of this kind. It is hard enough, God knows, for the average well educated person to achieve the highest under favourable circumstances. And while such a person may not need the shelter of legal enactments, there are a great many people in this world who are the better for it, if they can be sheltered in that way. The limb that is dislocated, as scripture says, needs a straight and smooth way in order that, after being set, it may not be disjointed again.

Leaving that aspect of the question, I would not attempt to deal with the economic side of it, as one hon. member to my right has done, in regard to the effect of gambling on the blooded horse. I should be as familiar in that sphere as he would be in the one I have just left. I mean no harm by that statement. There is no doubt that the blooded horse is an object of supreme beauty, and like all beautiful things it is one the passage of which we hate to see. But if this type of horse is to be degraded into a gambling machine the sooner its extinction comes about the better. Even President Coolidge does not think it a necessary part of his daily exercise.

[Mr. Bird.]

And if gambling is considered necessary, at all events we do not need to degrade the horse to that level. Our sentiment no doubt can be appealed to in this regard. Hon. members talk about the distinguished patronage under which gambling has always gone on, but I do not care into what associations you bring it; you may hang on it all the tinsel and the purple you like, you cannot make it better. It may be a game of nobles, but that does not make it a noble game. I felt, therefore, that I could not sit while this matter was being discussed without stating my point of view. As I said in the first place, it is unfortunate that our fundamental points of view should apparently be so divergent, but that should not unduly disturb us, so long as we are convinced, as I think we all are, that we are very much in earnest in our desire to maintain the moral standards of the country. I was reading the other day a pronouncement of a Roman Catholic bishop of Saskatoon regarding certain customs that are menacing the moral standards of Canada at the present time. When I read that I did not allow any instincts. I might have as a Protestant to rise and becloud my judgment in the matter; I rather allowed other feelings to prevail, and I felt a thrill of satisfaction that in this other great religious community in Canada there should be that earnestness for the maintenance of the moral standards of our beloved country.

Mr. DAVID SPENCE (Parkdale): I am sorry I was not here earlier in the evening to hear the first part of the debate. If this resolution carries it means the elimination of horse racing, and if the amendment to the amendment is adopted the same result will ensue. The subamendment is only different in form. Now, Mr. Speaker, it seems to me that we should take a broader view of matters of this kind which affect the liberties of the citizens of this great Dominion. We are only antagonising one element after another in the population when we enact laws of this kind, and I am entirely opposed to too many prohibitory enactments. This is another drastic law which only a small proportion of the citizens would respect, and consequently we should be unable to enforce it. I have lived in Toronto thirty-seven years, and although there is a race track within half a mile of my home I do not believe that I have been at race meetings thirty-seven times in my life. I have no interest in horse racing, because I can enjoy myself in bowling on the green or in curling on the ice. But I have friends who enjoy horse racing and whom I would not want to deprive of the right of

going to a race track and enjoying a good race. I say that the liberties of the people are being encroached upon too far and I object to anything of this kind. I have very little to say on this subject except to express my hearty disapproval of the handbook evil. I think that if we could eliminate the handbook business and get rid of the gambling joints, thus discouraging the practice of betting in connection with races in the United States and other places outside of the country, we should have accomplished a great deal. That is as far as this House should go. I will not support the resolution and I will not support the amendment to the amendment, but I will vote for the amendment with a great deal of pleasure.

There is one word in the amendment that I do not quite understand. It speaks of prohibiting advertising. If that means the elimination of advertising in the daily papers that a race meet is to be held at Woodbine or Connaught Park or anywhere else, then I think it is going too far. Everything else, so far as I am concerned, in the amendment will suit me and I am going to give it my support.

Mr. JEAN J. DENIS (Joliette): Mr. Speaker, it having been my privilege to second this motion I think I should take advantage now of the opportunity of adding a few words to the debate.

I have sought to approach this question with an unbiased mind. Two years ago we had a debate on the same subject and on that occasion I voted for the motion proposing the abolition of race track betting. This year, after mature consideration, I have not changed my mind, and will give the motion of the hon. member for Brant (Mr. Good) my unstinted support.

Now, I would not try to make this House believe that race track betting is a crime or a sin of the first magnitude. On the other hand, judging the question fairly and squarely as best I can, I have come to the conclusion that race track betting brings with it a considerable amount of evil and no good. Has it ever produced wealth, for instance? Not that I know of. Has it ever fostered happiness? Not that I know of. But we do know that a great many crimes have been committed by people who got themselves entangled in race track betting. Has it increased public morality? I submit it has not. I was greatly surprised to-night to hear my bosom friend, the hon. member for St. James (Mr. Rinfret) say that betting is not a bad thing in itself. That is just where we come to the parting of the ways. In my opinion betting is bad in itself because it is an illegitimate way of acquiring property. Betting is bad in itself because it rests on the principle of the acquirement of property without labour, whereas we are taught that property can only be acquired —and this principle has prevailed from the time of creation—at the price of labour. Labour is the price, and he who acquires property without paying the price, is not, in my opinion, doing what is right. I will not make a comparison between the thief and the man who earns money through betting, but the fundamental principle is the same: the thief tries to acquire property in an illegitimate way, without labour. He will not work for it; he does not want to work for it; he wants to get it from the other fellow. The man who bets is trying to acquire property without working for it, without labour.

Mr. RINFRET: What is the difference between betting and investing money in real estate, without working at all, and making a profit on it the next year?

Mr. DENIS (Joliette): That is an altogether different proposition.

Mr. RINFRET: It is the same thing.

Mr. DENIS (Joliette): Of course you may cite cases such as the one mentioned by my hon. friend. It may be argued that when you acquire real estate and it increases in value you have gained something without labour; something has come to you as a gift from Providence. Quite true, but the cases are altogether different.

Mr. RINFRET: In what respect?

Mr. DENIS (Joliette): They are altogether different, because the man who acquires property does so with an end in view; he acquires something tangible and pays for it. He acquires that property for the purpose of deriving a profit and of benefiting from it. He pays for something which is worth something. On the other hand the man who bets tries to get the other fellow's money for nothing. The man who bets does not do so with the intent of losing his money; he does so with the intent of receiving something for nothing.

There is an opinion very much stronger than mine on this subject, and it is the criminal code itself. I submit that the exception made in the criminal code whereby horse betting is permitted and declared legal while all other betting is declared illegal, is at once a challenge to common sense and logic. Why should betting be declared a crime in the criminal code in all cases except when it takes place on the race track or in connection

with horse racing? This amendment was introduced into the criminal code in 1910 and 1912. I cannot see the logic of it. I cannot see what difference there is between race track betting and any other kind of betting. Yet section 235 of the criminal code provides:

> Everyone is guilty of an indictable offence, and liable to one year's imprisonment, and to a fine not exceeding $1,000, who—

And there is a full page of prohibitions which are in exactly the same category as race track betting, but the latter is made legal by law, subject to its being carried out under certain conditions. I submit I cannot see the logic of it.

Now, what is this betting? In view of the amendment made to the criminal code and of the results that obtain, I submit that this betting is nothing else than the exploitation of a credulous public under the benevolent eye of the law. People are protected by the law in the accomplishment of something which the law in a general way declares to be illegal. It is illegal for everybody else but them, and in order to make it legal for them an amendment had to be brought in to the criminal code. Again I say I cannot see the logic of it.

Now, gambling and betting are not new. The place where gambling is carried on to the greatest extent is probably at Monte Carlo. I have never had access to the books, but it is said that the revenues derived from the games at Monte Carlo amount to forty million francs a year. The most important game that is played there, is we all know, roulette. Now, what is roulette? Roulette is a game at which the owner plays against the public with an advantage of 2.7 per cent against the bettor; in other words, when you stake a dollar at roulette you are supposed to receive back a dollar less two cents and a fraction. That 2.7 is the percentage against the man who bets; nevertheless, with so small a percentage, the revenues of the Casino are 40,000,000 francs a year. It is not known that anybody ever made money playing roulette if he or she played long enough. You might win once or twice, or for a week or a month, but it is well known that no one has ever played roulette regularly season after season and come out a winner, because this small percentage makes it impossible for the player to win in the long run.

Now how about the percentage in this case. My hon. friend from Victoria City (Mr. Tolmie) said that the percentage, according to the Criminal Code, was 5 per cent. I must admit that looking over the Criminal Code in a hasty way, I have not been able to find the percentage, but my information is that the rakeoff is on the average 10 per cent. Now if the rakeoff is 10 per cent, or even if it is only 5 per cent, how can the public ever hope to win at a game with such a rakeoff when no one can win at roulette where the rakeoff is only 2.7 per cent?

Answering my hon. friend from St. James, I do not know what the people here in Canada think, but I know that in the principality of Monte Carlo these games are considered so obnoxious that the people of the principality are forbidden to play them. They are not permitted to go into the Casino or elsewhere where these games are played, because the authorities have come to the conclusion that it is a bad thing for the people to play at odds of 2.7 per cent. Now if that is so in a country which has made gambling one of its main sources of revenue, would it not be so in Canada, where the percentage against the player is very much higher?

I have tried to inform myself as best I could as to the amount of money that has been wagered in Canada on horse betting through the pari-mutuels for the last three or four years, and my information is that in 1921 there was wagered the sum of $80,000,000; in 1922, $68,000,000; in 1923, $60,000,00, and in 1924, $60,000,000. Taking that last figure, if you wish, a rakeoff of 10 per cent on $60,000,000 represents $6,000,000 or if you take the first figure of $80,000,000, the rakeoff would be $8,000,000, which is taken from the pockets of the people of Canada. I have just said that it is practically impossible to win, but let us suppose that a few people do win. Has it ever profited anybody? Did you ever hear of anyone who had profited with money he won at the races? I never have. Money got easily is always spent easily; it is thrown away almost every time, and for the man who loses there is no way in which he can gain his money back.

Two years ago, rightly or wrongly it was noticed that I was one of the few members on this side of the House who had voted for a similar resolution. A few days afterwards, if I may be permitted this personal reference, I met on the train coming to Ottawa a very distinguished magistrate whose name I shall not mention now, but whose name I could give if necessary, who told me that in his career as police magistrate it had many times come to his knowledge that men, young and old, had been found guilty of embezzlement or theft just because they had spent money which was not their own at the races. These facts are well known. One has only to open

books to find hundreds and hundreds of such cases; they are written in England, where betting is so common. From the United States, from practically all of the states which have passed anti-betting laws, people come to Canada, notwithstanding the opinion expressed by my hon. friend from Victoria City, to try and reap some good Canadian money.

It must be remembered that this motion has nothing to do with private betting. That has always been permitted, and remains permitted by this resolution. Neither does the resolution affect tracks on which there are no pari-mutuel machines; in fact, it does not affect tracks at all, but betting on the tracks. I wish to say emphatically that I am not against horse racing; in fact, I have not heard anyone declare here to-day that he was against horse racing.

An argument has been made against this resolution on the ground that it is an attempt against individual liberty. Well, Mr. Speaker, individual liberty is very much of a sophism and a fallacy. Individual liberty exists only within the limits of the law, and not beyond. Whenever anything is recognized as being unlawful or immoral by the law, individual liberty cannot go beyond that. Now this form of betting has been recognized as unlawful and immoral by the law, by article 235 of the Criminal Code, which was amended about 1910 or 1912. Will anyone tell me what has happened in the intervening years to make that which was declared immoral and unlawful at that time moral and lawful to-day? The principle is the same; it has not been altered. But certain strong influences succeeded in having the law amended. I do not wish to cast any reflections upon anyone, but surely what was immoral ten or fifteen years ago must be just as immoral to-day.

I do not want to speak at a greater length except to say a word or two on the amendment. Something rather unusual happened this afternoon when the ruling of the Chair was submitted to a vote of the House. Perhaps I was wrong but at the time I was not able to understand, any better than I am able to understand now, that the amendment as drafted should come as an amendment to the motion. That is the reason why I voted to have the amendment declared out of order. But this reminds me that there is something strange in our rules of procedure. A motion is placed on the order paper. Everybody has time to examine that motion and to study it. Then all of a sudden, while this motion is under discussion, the rules of the House permit a member to present an amendment to it. Immediately the amendment is offered the Chair is bound to decide whether or not it is in order. I submit that under the rules we have now that is an injustice to the Chair, because no matter how learned or how able the Speaker may be it is, in many cases, an injustice to have questions like this submitted to him for an immediate decision. It is also an injustice to members of the House, who are not all lawyers, who are not conversant with the intricacies of the law; and even if hon. members were thoroughly informed on the subject what could they do in a case like the one which occurred this afternoon? I was of the opinion that the amendment should not be allowed and, although I may be wrong, I have not changed my mind. I think the rules of procedure should be so framed that members would have an opportunity of examining and studying an amendment. There is this further fact to be considered: Hon. members do not read the amendment, it is read to them. Now I submit that under the rules of procedure of a court of justice in any city or in any country the counsel in a case should never be compelled to decide on an amendment to a document without having due opportunity to scrutinize it and study its effect and yet in this parliament we are, and I submit very illogically, often called to decide points like this.

Mr. LAPOINTE: What does my hon. friend suggest?

Mr. DENIS (Joliette): I have no suggestion to offer at the present time. I submit this point for the consideration of the House in order that the committee which is to be appointed to revise the rules of the House may have an opportunity of studying it. The Minister of Justice, who is an eminent lawyer, understands perfectly the point I am making. He understands perfectly well how unfair it is for the Speaker first of all, and then for hon. members themselves, to have to decide upon the spot such a point as was submitted this afternoon.

Mr. PARENT: My hon. friend, I suppose, is aware that the Speaker can at any time postpone his decision until he is satisfied of the soundness of his opinion.

Mr. DENIS (Joliette): I know that but it is not practicable for the Speaker to suspend the sitting until he has made up his mind and is in a position to render a well considered decision. But if the Speaker can do it hon. members of the House are not afforded the necessary time and so we had to make up our minds this afternoon on the spot whether the amendment was in order. I submit that if the hon. member for Skeena means to sup-

port the main resolution he should not have presented this amendment. It is true that the amendment goes in the same direction as the resolution but as far as I can see if it is carried there can be no vote on the main motion which will then have been destroyed by the amendment. It is as though one were to ask for a loan of $100 and were only to receive one, two or five dollars. It would be an advance in the direction desired but would not be going far enough. In the same way the amendment is not what we want, it does not accomplish what the main motion aims at, and for that reason, although I admit I am in sympathy with the amendment I cannot vote for it; its effect is to destroy the main motion. My hon. friend (Mr. Neill) has very properly sought to restore the situation with a sub-amendment. Now I think if the amendment to the amendment were carried the day would be saved as far as the motion is concerned. Therefore I am in favour of voting for the amendment to the amendment, next voting against the amendment and finally for the main motion.

Mr. T. L. CHURCH (North Toronto): Mr. Speaker, I intend to vote against the resolution. As long as I am a member of this parliament I will not vote for any prohibitory legislation. We are living in an age in which prohibitory legislation is a fad. Everyone wants to discipline his neighbour but is not so anxious to discipline himself. There is such a thing as the liberty of the subject. I have only been to the races two or three times in my life. Still if a person wants to go to the Woodbine and use his money to bet on the races instead of buying a house with it it is none of my business. We have so many prohibitory laws in Canada that I am beginning to wonder whether this is a free country or not. The country is getting tired of prohibitory laws. A person's liberty is confiscated in Canada in a manner equal to the way in which they confiscate men's liberty and property in British Honduras. Not even the member for Brant can make people good by legislation. I am opposed to the motion as an interference with the liberty of the subject, although I am not a supporter of the race tracks and have seldom been there in my life.

Mr. O. R. GOULD (Assiniboia): Mr. Speaker, I propose to vote for the resolution because I believe it is in the right direction. When I say in the right direction I have in mind that the evil of gambling is inherent in the human race, and possibly further restrictions should be placed upon this evil. I do not vote for the resolution because the people who honoured me by electing me to this position are addicts to this evil. I am going to vote for the resolution because if I did not I would inferentially be giving the government my support in giving special privileges to certain people in this country—that is my interpretation of it. I would be giving the government a license to grant a special privilege to a certain class and deny it to others. I think that is unfair and that is the viewpoint the government should take in the matter.

Now I said gambling was inherent in the human race. Let a man walk down the streets of Ottawa, or any other city or town in the country, and as soon as the sidewalks are bare he will see little boys gambling with their marbles. That is the first stage of gambling in which they figure. Later on, perhaps, the boy, now grown into a man, will gamble on the Winnipeg grain exchange, or even our ladies will gamble at bridge; and I wonder how far we are going to proceed in the way of legislation before we shall eliminate all the evils which flow from gambling.

I spoke to the mover of the resolution some time ago and suggested to him that he broaden it out. However this is very broad at the present time. One of the reasons why I only wish to say a few words upon this is that I do not think the House should spend too much time discussing these heavenly and ethereal matters and perhaps send us home with a poor Grain Act, or a poor act relating to the Crowsnest pass rates, which might not be sufficiently debated. Rural credits and other important questions might not receive proper attention. I think we might devote our time more profitably to such subjects as these, instead of putting too much time on ethereal legislation.

I intend to cast my vote at the present time, not because of representations made to me, but because of sentiments I have expressed; and I propose to vote for the resolution.

Mr. ALFRED SPEAKMAN (Red Deer): I propose to speak on a phase which has not been discussed to-night. I propose to vote without hesitation and without embarrassment, as other members intend to vote, for the subamendment and against the amendment and for the original resolution. I shall not indicate my reasons as they have been expressed by others who are in favour of such legislation. One reason I have for opposing the amendment is this: it is good in itself, I approve of it as far as it goes, but I object to it because it frustrates the object of the resolution. But that is not my main

reason for opposing it. My main reason is this: I believe that in supporting this amendment we are opening the way to what may be a very vicious precedent. I took exception to the ruling at the time I voted against it. If we establish a precedent in this House that at any time a member may move, by way of amendment, something that is really a substantive motion rather than an amendment, dealing with another phase of the subject to the exclusion of the original motion, how far are we going to go in that direction? I had in mind by way of illustration another question which will come before the House, and I think by putting the illustration it will show exactly what I mean. A motion will come before the House presently dealing with the early construction of the Hudson Bay railway. Now if I followed the precedent established this afternoon and moved an amendment in the same spirit, I could move that all the words after the word "that" be struck out and that the following be substituted:

That this House declare itself in favour of the early construction of the Peace river railway.

Both motion and amendment so-called dealing with some phase of the transportation question, both good in themselves perhaps, but the amendment would absolutely preclude a vote being taken on the main motion. For that reason, and because I do not wish to put myself in a position in any way of supporting such an amendment, and supporting what might be adopted as a vicious and unsound principle, I shall oppose the amendment.

Mr. GOOD: I understand I have an opportunity of replying before a vote is taken. I wish to say a word regarding the amendment. I am entirely in accord with the amendment, with the exception of the last clause, namely the following:

Unless where supplied on a race track in Canada during the course of a race meeting legally held.

Mr. SPEAKER: Is the hon. gentleman speaking on the main motion or on the sub-amendment? We are now on the sub-amendment, and I heard the hon. member state that he was going to answer the arguments directed against the main motion. If the hon. member makes his reply now he will prevent other members speaking later on on the main motion. I understand the hon. member is speaking on the sub-amendment.

Mr. GOOD: I may have been labouring under a misunderstanding. I think perhaps it would be better for me to reserve what I have to say until the sub-amendment is disposed of. I am substantially in favour of the sub-amendment as a consolidation of the good parts of both resolutions.

Mr. SPEAKER: A point of order was raised and I intend to give the ruling now. First of all in order to make the matter as clear as possible I shall read the main motion, the amendment and the sub-amendment. The main motion reads:

That, in the opinion of this House, the special privilege now given to racing associations under the criminal code of carrying on public gambling operations in connection with their race meetings is detrimental to the best interests of Canada and should be abolished.

To this motion was moved an amendment by the hon. member for Skeena (Mr. Stork) as follows:

That all the words after "that" in the resolution be struck out and the following be substituted therefor: "in the opinion of this House legislation should be introduced during this session to prohibit the advertising, printing, broadcasting, publication, or sale of information concerning any tips, selections, odds or any similar intelligence with respect to or applicable to horse racing, whether held within Canada or without, unless where supplied on a race track in Canada during the course of a race meeting legally held.

Some objection was taken this afternoon to this amendment and the ruling of the Chair was that it was relevant to the main motion and the majority of the House, on an appeal being taken, decided likewise. The amendment was followed by a sub-amendment by the hon. member for Comox-Alberni (Mr. Neill) reading as follows:

That all the words after the word " without " in the main resolution be struck out, and the following be substituted therefor:

That in the opinion of this House legislation should be introduced during this session to prohibit the advertising, printing, broadcasting, publication or sale of information concerning any tips, selections, odds or any similar intelligence with respect to or applicable to horse racing whether held within Canada or without, and to prohibit the use of pari-mutuels on race tracks in Canada.

Now the hon. member for Nelson (Mr. Bird) raises a point of order and his objection is twofold. First he cites May, pages 289 and 290, and states:

According to this authority an amendment like the one moved by the hon. member for Skeena (Mr. Stork) cannot be carried without the Speaker putting the question, that the words proposed to be left out stand part of the question.

I may just as well quote what May says on the subject as I think it represents the opinion expressed by the hon. member for Nelson. May says:

Where the original amendment is either simply to insert, add or leave out words, an amendment may at once be proposed to it, without reference to the question itself, which will be dealt with when the amend-

ment has been disposed of. The most difficult form perhaps—

And this is the point—

—is when the amendment first proposed is to leave out certain words of the original question, and an amendment is proposed to such proposed amendment, by leaving thereout some of the words proposed to be omitted, and thus in effect, restoring them to the original question. in such a case a question is first put that the words proposed to be omitted stand part of the proposed amendment.

Let me remark that this is the procedure followed in the British parliament, but it is not the one followed in this parliament. Bourinot at page 318 states clearly what the procedure is when there are several amendments:

The Speaker will then submit the three motions in the order in which they are made, and first take the sense of the House on the last.

In the present instance, the subamendment moved by the hon. member for Comox-Alberni (Mr. Neill):

"Is it the pleasure of the House to adopt the amendment to the amendment?" If the amendment is rejected, it is regular to move another (provided, of course, it is different in purport from that already negatived) as soon as the Speaker has again proposed the question: "Is it the pleasure of the House to adopt the amendment to the main motion (or original question)?"

As I stated a moment ago, the objection taken by the hon. member for Nelson is two-fold. He stated this evening that the subamendment moved by the hon. member for Comox-Alberni only reiterates or repeats in a milder form—at least that is what I gathered from his remarks and that is what was claimed this evening by some hon. gentlemen who spoke on the question—the principle involved in the main motion, and that, if it is carried, the House will evade the main question. As I have already said, the rules of the House of Commons will not permit the evasion or the obscuring of an issue. The rules are based on common sense and hon. members will at once see that a case such as presents itself this evening has been provided for by our chief authority on parliamentary procedure, Bourinot at page 318:

When an amendment has been proposed, it is competent for any member to move an amendment to the same. In this case the original question is laid aside practically for the time being, and the first amendment becomes, as it were, a substantive question.

What is the practical effect of this? The hon. member for Brant has moved a substantive motion, putting squarely before the House the principle involved. To this motion, an amendment which, notwithstanding the objections that were put forward, I consider, in my humble judgment, is relevant to the main motion, was moved by the hon. member for Skeena (Mr. Stork). A subamendment reiterating, it is true, but in a different form, using different words, the principle involved in the main motion has been moved by the hon. member for Comox-Alberni. Therefore, according to Bourinot, the main question is laid aside. It is, so to speak, superseded and the question that will come at once before the House is that of the subamendment. If the members of the House say "aye" to the subamendment, then the Speaker's duty is to put the amendment as amended by the subamendment, and then again it is the duty of the Speaker, after the sense of the House has been taken, to put the main motion. If hon. members are willing to vote for the main motion, naked, as it were, as it was moved before this House by the hon. member for Brant, it is their right to do so. There is nothing wrong with the procedure, nothing wrong with the rules. The House can dispose of the three questions before it and live up logically to the rules. I hope I have made myself clear. The House will be at full liberty to give a free and unbiased judgment on the question involved.

Mr. MEIGHEN: I do not wish to debate anything. I wish to say, with all respect, that I differ from the ruling that permitted of the amendment. I think the ruling has led to very great confusion and difficulty, if not impossibility, of giving effect to the wishes of the House. I, therefore, purpose to vote on each motion that appears on the merits of that motion as it reads and without any regard whatever to the effect on any previous motion.

Mr. SPEAKER: I do not see that there is difference of opinion between the right hon. gentleman and the Chair.

Mr. MEIGHEN: I have not argued any difference. I just wish to say that that is how I purpose voting, as my judgment moves me as respects each one as it appeals to me. Otherwise, one has to vote as to what the effect is on the motion that precedes.

Mr. LAPOINTE: Following the example of the leader of the opposition, I desire to say how I am going to vote. I am in favour of the amendment of the hon. member for Skeena, but I cannot vote for it with the addition moved by the hon. member for Comox-Alberni, so I will vote against the subamendment.

Mr. SPEAKER: Before putting the question I would ask hon. members on all sides to be good enough to assist the officials by

remaining in their seats when the vote is being taken, and to vote row by row.

The House divided on the sub-amendment (Mr. Neill) which was negatived on the following division:

YEAS

Messrs:

Baldwin,	King (Huron),
Bancroft,	Knox,
Bird,	Lewis,
Black (Huron),	Lovett,
Bowen,	Lovie,
Brethen,	Lucas,
Brown,	MacLean (Prince, P.E.I.),
Caldwell,	Macphail (Miss),
Campbell,	McBride,
Carmichael,	McConica,
Charters,	McMaster,
Coote,	McQuarrie,
Davies,	McTaggart,
Denis (Joliette),	Martell,
Drummond,	Meighen,
Elliott (Dundas),	Millar,
Evans,	Milne,
Findlay,	Morrison,
Forke,	Munro,
Gardiner,	Murdock,
Garland (Bow River),	Neill,
Garland (Carleton),	Putnam,
Good,	Reed,
Grimmer,	Robinson,
Halbert,	Ross (Simcoe),
Hanson,	Sales,
Hatfield,	Senn,
Hocken,	Sexsmith,
Hodgins,	Shaw,
Hoey,	Simpson,
Hopkins,	Snowball,
Hubbs,	Speakman,
Humphrey,	Spencer,
Irvine,	Stansell,
Jelliff,	Steedsman,
Johnston,	Stewart (Humboldt),
Jones,	Stewart (Leeds),
Kelly,	Sutherland,
Kellner,	Thompson,
Kennedy (Edmonton),	Wallace,
Kennedy (Glengarry & Stormont),	Ward,
	Warner,
Kennedy (Port Arthur & Kenora),	Woods,
	Woodsworth.—86.

NAYS

Messrs:

Anderson,	Clark,
Archambault,	Copp,
Arthurs,	Déchène,
Beaubien,	Delisle,
Benoit,	Denis (St. Denis),
Binette,	Desaulniers,
Boivin,	Descoteaux,
Bouchard,	Deslauriers,
Boucher,	Desrochers,
Bristol,	Dickie,
Bureau,	Doucet,
Carroll,	Drayton (Sir Henry),
Carruthers,	Ethier,
Casgrain,	Fafard,
Chaplin,	Finn,
Chevrier,	Fiset (Sir Eugène),
Chisholm,	Fontaine,
Church,	Forrester,
Fortier,	Ouimet,
Fournier,	Papineau,
Gendron,	Parent,
Gervais,	Pelletier,
Gordon,	Pouliot,
Gould,	Preston,
Graham,	Rankin,
Hammell,	Raymond,
Hanna,	Rhéaume,
Harris,	Rinfret,
Healy,	Robb,
Hunt,	Roberge,
Hushion,	Robichaud,
Kay,	Robitaille,
King (Kootenay),	Ross (Kingston),
King, Mackenzie (York),	Ryckman,
Kyte,	St. Père,
Ladner,	Savard,
Lanctôt,	Séguin,
Lapierre,	Sheard,
Lapointe,	Sinclair (Queens, P.E.I.),
McDonald (Timiskaming),	Spence,
McGiverin,	Stewart (Argenteuil),
McIsaac,	Stewart (Hamilton),
McKay,	Stirling,
McMurray,	Stork,
Marcile (Bagot),	Tobin,
Mercier,	Tolmie,
Michaud,	Vien,
Morin,	Wilson.—97.
Motherwell,	

Mr. PRITCHARD: I was paired with the hon. member for Dorchester (Mr. Cannon). Had I voted, I would have voted for the sub-amendment.

Mr. LEADER: I was paired with the Postmaster General (Mr. Murphy). Had I voted, I would have voted for the sub-amendment.

The House divided on the amendment (Mr. Stork) which was agreed to on the following division:

YEAS

Messrs:

Anderson,	Doucet,
Archambault,	Drayton (Sir Henry),
Arthurs,	Ethier,
Beaubien,	Fafard,
Benoit,	Finn,
Binette,	Fiset (Sir Eugène),
Bouchard,	Fontaine,
Boucher,	Forrester,
Bowen,	Fortier,
Bristol,	Fournier,
Bureau,	Garland (Carleton),
Carroll,	Gendron,
Carruthers,	Gervais,
Casgrain,	Gordon,
Chaplin,	Graham,
Charters,	Grimmer
Chevrier,	Hammell,
Chisholm,	Hanna,
Church,	Hanson,
Clark,	Harris,
Copp	Healy,
Déchène,	Hubbs,
Delisle,	Hushion,
Denis (St. Denis),	Kay,
Desaulniers,	Kellner,
Descoteaux,	King (Kootenay),
Deslauriers,	King, Mackenzie (York),
Desrochers,	Kyte,
Dickie,	Ladner,

Lanctôt,
Lapierre,
Lapointe,
Lucas,
McDonald (Timiskaming),
McGiverin,
McIsaac,
McKay,
McMurray,
McQuarrie,
McTaggart,
Marcile (Bagot),
Meighen,
Mercier,
Michaud,
Morin,
Ouimet,
Papineau,
Pelletier,
Pouliot,
Preston,
Rankin,
Raymond,
Rhéaume,
Rinfret,
Robb,
Roberge,
Robichaud,
Robitaille,
Ross (Kingston),
Ryckman,
St. Père,
Sales,
Savard,
Séguin,
Senn,
Sheard,
Simpson,
Sinclair (Queens, P.E.I.),
Spence,
Stansell,
Stewart (Argenteuil),
Stewart (Hamilton),
Stewart (Leeds),
Stirling,
Stork,
Thompson,
Tobin,
Tolmie,
Vien,
Wilson.—109.

NAYS

Messrs:

Baldwin,
Bancroft,
Bird,
Black (Huron),
Boivin,
Brethen,
Brown,
Caldwell,
Campbell,
Carmichael,
Coote,
Davies,
Denis (Joliette),
Drummond,
Elliott (Dundas),
Evans,
Findlay,
Forke,
Gardiner,
Garland (Bow River),
Good,
Gould,
Halbert,
Hatfield,
Hocken,
Hodgins,
Hoey,
Hopkins,
Humphrey,
Hunt,
Irvine,
Jelliff,
Johnston,
Jones,
Kelly,
Kennedy (Edmonton),
Kennedy (Glengarry & Stormont),
Kennedy (Port Arthur & Kenora),
King (Huron),
Knox,
Lewis,
Lovett,
Lovie,
MacLean (Prince, P.E.I.),
Macphail,
McBride,
McConica,
McMaster,
Martell,
Millar,
Milne,
Morrison,
Motherwell,
Munro,
Murdock,
Neill,
Parent,
Putnam,
Reed,
Robinson,
Ross (Simcoe),
Sexsmith,
Shaw,
Snowball,
Speakman,
Spencer,
Steedsman,
Stewart (Humboldt),
Sutherland,
Wallace,
Ward,
Warner,
Woods,
Woodsworth.—74.

PAIRS

(The list of pairs is supplied by the chief whips.)

Messrs:

Cannon,
McCrea,
Lavigueur,
Murphy,
Pritchard,
Fansher,
Thurston,
Leader,

[Mr. Leader.]

Mr. SPEAKER: I declare the amendment carried. The question is now on the main motion as amended.

Mr. LEADER: I was paired with the hon. Postmaster General (Mr. Murphy). Had I voted I would have voted against the amendment.

Mr. PRITCHARD: I was paired with the hon. member for Dorchester (Mr. Cannon). Had I voted I would have voted against the amendment.

Mr. MEIGHEN: Before the last motion is put, Mr. Speaker, might I ask your Honour if you would kindly read the main motion as amended?

Mr. SPEAKER: Mr. Good moves, seconded by Mr. Denis (Joliette):

That in the opinion of this House legislation should be introduced during this session to prohibit the advertising, printing, broadcasting, publication or sale of information concerning any tips, selections, odds or any similar intelligence with respect to or applicable to horse racing whether held within Canada or without, unless where supplied on a race track in Canada during the course of a race meeting lawfully held,

The question is on the main motion as amended.

Mr. MEIGHEN: May I point out that we are now voting on the amendment over again? I know that it is quite in order that we should, but I also point out that we are now precluded from voting on the main motion.

Mr. GOOD: I want to raise the question, Mr. Speaker, whether we shall have an opportunity, as I understood you to assure us, of voting on the main motion.

Mr. VIEN: As amended.

Mr. SPEAKER: The House has rejected the subamendment. It has given a majority in favour of the amendment. The question now before the House is, shall the main motion as amended be carried? I may point out to the hon. member, however, that other amendments can be moved to that motion as amended.

Mr. BROWN: How will the motion read now, Mr. Speaker, as it comes before the House?

Some hon. MEMBERS: Oh, oh.

Mr. SPEAKER: Order.

Mr. BROWN: Does the main motion not read—

Mr. SPEAKER: I have just read the motion as amended. That is how the main motion reads now, by the verdict of the House.

Mr. MARTELL: I submit that the amendment is a new substantive motion.

An. hon. MEMBER: Withdraw it.

Mr. GOOD: I think we ought to be very clear on this point.

Some hon. MEMBERS: Oh, oh.

Mr. SPEAKER: I cannot hear the hon. member for Brant. I would ask hon. members to keep silence.

Mr. GOOD: Perhaps I misunderstood you, Mr. Speaker, but I thought you assured the House some time ago that we should have an opportunity of deciding the issue that I presented in the original resolution. I thought this afternoon when the amendment was moved that it was a device or subterfuge to prevent the House from declaring itself on the main question.

Mr. SPEAKER: I might remind the hon. gentleman that the House decided this afternoon to sustain the view taken by the Deputy Speaker, namely, that the amendment was relevant and therefore in order; and I may say that personally I endorse that ruling. The question now before the House is whether or not the House will accept the main motion as amended, but this does not prevent hon. members from moving other amendments to the main motion as amended. I must accept the verdict of the House.

Mr. MARTELL: Mr. Speaker, may I request that the main motion with the amendment added be reduced to writing in order that we may know exactly what we are voting on? With all due deference to hon. gentlemen, I must say that in my opinion the amendment in fact nullifies the main motion because the amendment is in itself a substantive motion. I suggest, whether the amendment deletes from or adds to the main motion, that the motion as amended be reduced to writing so that we shall have something concrete before us. I do not want to say anything in derogation of anything that has been said in the House, but it seems to me that in voting on the main motion now as amended we are voting in a fool's paradise.

Mr. BROWN: Mr. Speaker, I have an amendment to move. First I would like to say what the main resolution now before the House is, as I see it. The action we have taken means, if I correctly interpret it, that all that is left of the original motion is the word "That." I do not think those who voted against the sub-amendment under the impression that they were going to have an opportunity to vote on the main motion as it was presented have any real grievance. As I see the matter, if we wanted to express our will in regard to the real essence of the main motion the only way to do it under the circumstances was to vote for the sub-amendment. However, since we have failed in that, and as the main motion reads in this form—

Mr. SPEAKER: May I remind the hon. gentleman, so as to prevent any discredit from attaching to the decision of the Chair, that the main motion as amended is the only question that is before the House? But as I said a moment ago that main motion can still be amended. I quote from Bourinot, page 316:

> All motions should properly commence with the word "That" In this way, if the motion meets the approbation of the House, it may at once become the resolution, vote, or order which it purports to be.

That is the principle laid down by Bourinot. Therefore there is nothing strange in the fact that only the word "that" is left in the main motion, and that the main motion as now amended begins with the word "that" taken from the original motion.

Mr. GOOD: Mr. Speaker—

Mr. SPEAKER: I understand the hon. member for Lisgar (Mr. Brown) has an amendment.

Mr. BROWN: Understanding that the decision of the House now is to strike out all the original motion except the word "that", and that the amendment adopted reads:

> That, in the opinion of this House, legislation should be introduced during this session to prohibit the advertising, printing, broadcasting, publication, or sale of information concerning any tips, selections, odds or any similar intelligence with respect to or applicable to horse racing, whether held within Canada or without, unless where supplied on a race track in Canada during the course of a race meeting legally held.

—I beg to move that the motion be amended by striking out all the words after the word "without." The words struck out would be "unless where supplied on a race track in Canada during the course of a race meeting legally held." I make that motion because in my judgment it would leave what now stands as the main motion in a form that would not be objectionable at all. It would leave it in a form in which it expresses the opinion, I think, of the great majority of the members of this House. We have not been able to secure the purpose of the original motion, and if there is any way by which that can still be secured, I would be only too happy

to do it; but as I view the situation the House has pronounced against that principle, and therefore I would like to make this amendment which now stands as the main motion. It is not objectionable at all in the way it will go before the House.

Mr. SPEAKER: The hon. member for Lisgar moves that all the words after the word "without" be struck out. That is all, is it?

Mr. MARTELL: May I ask then, Mr. Speaker, what we are voting on?

Mr. SPEAKER: The House is called upon to vote on the following amendment to the main motion. I will read the motion:

That in the opinion of this House legislation should be introduced during this session to prohibit the advertising, printing, broadcasting, publication or sale of information concerning any tips, selections, odds or any similar intelligence with respect to or applicable to horse racing whether held within Canada or without.

The words "unless where supplied on a race track," and so forth have been struck out.

Hon. ERNEST LAPOINTE (Minister of Justice): Before the House votes on the amendment of my hon. friend, I must say that this question was brought to the attention of the then Minister of Justice, Sir Lomer Gouin, two years ago, by the Attorney General of Ontario, then the Hon. Mr. Raney. Mr. Raney in the suggestion that he made had exactly the same exception that my hon. friend wants to remove from the amendment of my hon. friend from Skeena (Mr. Stork). I have here the suggested amendment of the Attorney General of Ontario, which reads as folows:

(f) Advertises, prints, publishes, exhibits, posts up, sells or supplies, or offers to sell or suply (i) other than on the premises of an association lawfully conducting race meetings in Canada; and during the actual progress of a race meeting thereon, any tips, selections, odds, winning money prices,

And so forth. The amendment moved by Sir Lomer Gouin two years ago, and which was adopted by the House, followed that suggestion, and there was an exception made for the race tracks during the progress of race meetings on those tracks. I do not see why we should go further this year. I have promised on behalf of the government that I would reintroduce the amendment of two years ago, and we intend to do so; but we intend to do so in the way in which it was adopted by the House. So I am going to vote against the amendment of my hon. friend from Lisgar (Mr. Brown).

[Mr. Speaker.]

Mr. W. C. GOOD (Brant): I have no particular objection, Mr. Speaker, to this new amendment, although I will not second it. It seems to me that perhaps the Minister of Justice (Mr. Lapointe) has a good deal of justice on his side in mentioning the fact that in the original amendment as passed two years ago dealing with this matter there was an exception made to the doing of certain things on the premises of a racing association. But the point I wish to direct attention to is that I am denied what I think is my right of bringing this matter to the House for its decision. There has been no opportunity to decide the matter that I presented to the House. If I am to understand the vote as a definite vote against the resolution which I presented, then I take it as such; but I have certainly understood since eight o'clock that the House would be permitted to vote on the specific question mentioned in the original resolution. Now, apparently, we are not to be permitted to do that unless I move in further amendment that all the words after "that" be struck out, and I insert my original motion. Would that be in order, Mr. Speaker?

Mr. SPEAKER: No.

Mr. ARCHAMBAULT: May I suggest to my good friend from Brant that the best way out of his difficulty would be to now withdraw his resolution and bring it up at some other opportunity?

Mr. GOOD: When?

An hon. MEMBER: Next session.

Mr. VIEN: I think the purpose of the hon. member would be well served if he waited until the Minister of Justice introduced his legislation. He would have the opportunity then to bring in all kinds of amendments to the proposed legislation that the minister has announced to the House. I think the House will be quite satisfied with the discussion that has taken place to-day, and the purpose of the hon. member would in that way be well served. Therefore, in the interests of the House, as well as in the interests of my hon. friend from Brant (Mr. Good), I think he would be well advised to submit to the suggestion of the hon. member for Chambly and Vercheres (Mr. Archambault) and withdraw his resolution.

Mr. ARCHAMBAULT: The hon. member can bring in his amendment when the Minister of Justice brings down his bill.

Mr. GOOD: I quite understand, Mr. Speaker, and I may avail myself of an oppor-

tunity if it occurs in the future. It does seem to me however that there is a simple matter on which the House has refused permission for a vote. I had intended to say something in reply to the various arguments that have been advanced but I think there is no desire that the matter should be debated further and I shall have to await another opportunity of presenting any views I have on the question.

Mr. HOCKEN: The hon. gentleman seems to be labouring under a misconception. He speaks as though his motion had not been voted upon. He seems to think that some injustice has been done to him because the amendment was carried over his motion, and that the question of his motion was not directly put to the House. That ought to get out of his mind—

Mr. GOOD: It is hard to get it out.

Mr. HOCKEN:—because there is no doubt at all that his motion was voted upon. This House dealt with his motion. It dealt with it by carrying the amendment and therefore on the whole I think he has been perfectly fairly treated.

Mr. BROWN: Under the circumstances, and in view of the explanation that has been made in regard to the bill that was passed here two years ago, I think, perhaps, it might not be wise for me to stress my amendment if the House will allow it to be withdrawn.

Mr. SPEAKER: The hon. gentleman, of course, must get the consent of the House.

Mr. VIEN: Carried.

Mr. SPEAKER: Is it the pleasure of the House that the hon. gentleman have leave to withdraw his amendment?

Some hon. MEMBERS: Yes.

Some hon. MEMBERS: No.

Mr. WOODSWORTH: I second the amendment and I see no reason whatever for withdrawing it.

Mr. BROWN: If not too late I will allow it to stand.

Mr. SPEAKER: Is it the pleasure of the House that the hon. gentleman have leave to withdraw his amendment?

Some hon. MEMBERS: Carried.

Some hon. MEMBERS: No.

Mr. CALDWELL: No, certainly not.

Mr. WOODSWORTH: I object, Mr. Speaker, I seconded the motion and I object to its being withdrawn.

Mr. SPEAKER: The withdrawal must be by unanimous consent.

Mr. RINFRET: I object to this debate being rehashed on any future occasion. The question has been fully debated to-day and it is a well known practice in this House—I made that very clear in my speech—that when an amendment is moved and voted upon those voting in favour of the amendment vote against the motion. My hon. friend's motion has been defeated by 34 votes, and if he tries to bring the question up again when the bill of the Minister of Justice is before the House I will certainly rise to a point of order. Because I consider this matter has been fully debated, and I do not think we can go back to it any more.

Mr. SPEAKER: The question is on the amendment. Those in favour of the amendment please say aye.

Mr. WOODSWORTH: I rise to a point of order. An amendment was placed before this House by the hon. member for Lisgar (Mr. Brown) which I seconded. When he proposed to withdraw that amendment I objected. I take it that that amendment is still before the House.

Mr. SPEAKER: Certainly.

Mr. WOODSWORTH: I do not think it can be withdrawn.

Mr. GRAHAM: Mr. Speaker is putting the amendment now.

Mr. SPEAKER: The amendment could only have been withdrawn with the unanimous consent of the House. Objection was taken to the withdrawal and the amendment remains before the House. The question is now on the amendment.

Mr. WOODSWORTH: Then I should like to say just a word with regard to it.

Some hon. MEMBERS: Oh, oh.

Mr. MARTELL: I rise to a point of order. After the question has been put I submit that it is not debatable.

Mr. SPEAKER: The question was not put. I did not see the hon. gentleman rise in his seat and he has a right to speak to the amendment.

Mr. WOODSWORTH: I second this motion though it is not at all satisfactory. I must join with other members who have objected decidedly to the course which this debate has taken. I have not had the opportunity in any way whatever of expressing my views upon the motion which was before us

to-day. This is a substitute motion. The original resolution has gone from before us under the ruling of the chair as supported by the House, but the present amendment does look in the direction of doing away with one little bit of special privilege. I would have supported the motion advanced by the hon. member for Brant because it struck at a certain monopoly under which one particular group of people, those engaged in horse racing, have a special privilege at the present time in Canada which is denied to other people. Two or three years ago legislation was passed making illegal any sort of betting on a baseball game, or the guessing of baseball results, and that kind of thing. Yet at present one particular group of people, a very wealthy group, have certain privileges in this country which are absolutely denied to the rest of the population. If a man is well enough off to be able to attend a horse race he can there engage in the pastime of betting; if he is not rich enough to go there it becomes a crime that he should bet. That seems to be an absurd situation. Then we have the further situation that we are going to make it illegal to have book-making anywhere else but in connection with horse racing and while horse racing is in progress another bit of special privilege. The House is denied the right to express itself on the motion brought forward by the hon. member for Brant by those who are now trying to claim a special privilege for this particular sport of horse racing. If we are going to legislate in this way I think it ought to be known to the country at large. If laws are devised with respect to gambling let them apply equally. Do not let it be made a crime for one particular group to bet in one particular place and then exalt another group above the law; do not let them be accorded a special privilege and safeguarded in every particular. When this opportunity offers the least we can do is to take away this particular betting privilege and in so doing establish something like an equality in the legislation that is now before the House.

The House divided on the amendment (Mr. Brown) which was negatived on the following division:

YEAS

Messrs:

Baldwin,
Bancroft,
Bird,
Black (Huron),
Bowen,
Brethen,
Brown,
Caldwell,
Campbell,
Carmichael,
Coote,
Davies,
Denis (Joliette),
Doucet,
Eliiott (Dundas),
Evans,
Forke,
Gardiner,
Garland (Bow River),
Garland (Carleton),
Good,
Gould,
Grimmer,
Halbert,
Hanson,
Hatfield,
Hodgins,
Hoey,
Hopkins,
Hubbs,
Humphrey,
Hunt,
Irvine,
Johnston,
Jones,
Kennedy (Edmonton),
Kennedy (Glengarry & Stormont),
Kennedy (Port Arthur & Kenora),
Knox,
Lewis,
Lovett,
Lovie,
Lucas,
MacLean (Prince, P.E.I.),
Macphail,
McBride,
McConica,
McMaster,
Martell,
Meighen,
Millar,
Milne,
Munro,
Murdock,
Neill,
Putnam,
Reed,
Robinson,
Ross (Simcoe),
Sales,
Senn,
Sexsmith,
Shaw,
Snowball,
Speakman,
Spencer,
Stansell,
Steedsman,
Stewart (Humboldt),
Stewart (Leeds),
Sutherland,
Thompson,
Wallace,
Ward,
Warner,
Woods,
Woodsworth—77.

NAYS

Messrs:

Anderson,
Archambault,
Arthurs,
Benoit,
Binette,
Boivin,
Bouchard,
Boucher,
Bristol,
Bureau,
Cardin,
Carroll,
Casgrain,
Chaplin,
Chevrier,
Chisholm,
Church,
Clark,
Copp,
Déchène,
Delisle,
Denis (St. Denis),
Desaulniers,
Descoteaux,
Deslauriers,
Desrochers,
Dickie,
Drayton (Sir Henry),
Ethier,
Fafard,
Finn,
Fiset (Sir Eugene),
Fontaine,
Forrester,
Fortier,
Fournier,
Gendron,
Gervais,
Gordon,
Graham,
Hammell,
Hanna,
Harris,
Healy,
Hushion,
Kay,
King (Kootenay),
King, Mackenzie (York),
Kyte,
Ladner,
Lanctôt,
Lapierre,
Lapointe,
McDonald (Timiskaming),
McGiverin,
McIsaac,
McKay,
McMurray,
Marcile (Bagot),
Mercier,
Michaud,
Morin,
Motherwell,
Ouimet,
Papineau,
Parent,
Pelletier,
Pouliot,
Preston,
Rankin,
Raymond,
Rhéaume,
Rinfret,
Robb,
Roberge,
Robichaud,
Robitaille,
Ross (Kingston),
Ryckman,
St. Père,
Sheard,
Simpson,

Sinclair (Queens, P.E.I.)	Stork,
Spence,	Tobin,
Stewart (Argenteuil),	Tolmie,
Stewart (Hamilton),	Vien,
Stirling,	Wilson—92.

PAIRS

(The list of pairs is supplied by the chief whips.)

Messrs:

Leader,	Murphy.

Mr. NEILL: I rise to a point of order. I would ask the exercise of the privilege which I think is provided for in rule 42, page 112, subsection 419, which says:

A motion which contains two or more distinct propositions may be divided so that the sense of the House may be taken on each separately.

If ever there was a resolution which contains two propositions, it is the one before us to-night. We have the resolution of the hon. member for Brant (Mr. Good) who wants to do away with pari-mutuels. We have the proposition of the hon. member for Skeena (Mr. Stork) who wants to do away with book-making off the race tracks. These are the two separate propositions. If we divide the motion and take the sense of the House on each one separately we will accomplish what we have been trying to do all afternoon.

Mr. SPEAKER: I understand the hon. member raised the point of order that the amendment and the resolution deal with two separate subjects, and therefore that the question involved by the amendment is out of order.

Mr. NEILL: No, I would not quite take that position. The rules do not quite prescribe the procedure here. It simply says that the sense of the House may be taken on each separately. I do not take the point that the amendment is out of order. I simply ask that the motion should be divided, as it contains two propositions, so that the sense of the House may be taken.

Mr. LAPOINTE: We have divided four times already.

Mr. SPEAKER: The paragraph quoted by the hon. member is not a rule. It is only an authority cited under rule 42. The question which the hon. member has in mind I think is that the amendment is not relevant to the main motion. That point has been settled. It has been decided by the Speaker that the amendment was relevant to the main motion.

Being of the opinion that the amendment is relevant to the main motion, I therefore rule that the point of order is not well taken.

Motion agreed to on division.

On motion of Mr. Mackenzie King the House adjourned at 12.30 a.m. (Tuesday).

Tuesday, March 3, 1925

The House met at three o'clock.

COMMITTEE ON RAILWAYS, CANALS AND TELEGRAPH LINES

Right Hon. W. L. MACKENZIE KING (Prime Minister) moved: That the names of Messrs. Pouliot and Delisle be subsituted for those of Messrs. Beland and Euler on the select standing committee on Railways, Canals and Telegraph Lines.

Motion agreed to.

PUBLIC ACCOUNTS COMMITTEE

Hon. J. A. ROBB (Acting Minister of Finance) moved: That the Auditor General's report for the year ending March 31, 1924, and the Public Accounts of Canada for the year ending March 31, 1924, be referred to the select standing committee on Public Accounts.

Motion agreed to.

CANADA—UNITED STATES SMUGGLING TREATY

Right Hon. W. L. MACKENZIE KING (Prime Minister) moved:

Resolved by the House of Commons,—That it is expedient that parliament do approve of the treaty for the suppression of smuggling operations along the international boundary between the Dominion of Canada and the United States, and assisting in the arrest and prosecution of persons violating the narcotic laws of either government and for kindred purposes, which was signed at Washington on the sixth day of June, one thousand nine hundred and twenty-four, and which was signed on behalf of His Majesty in respect of Canada by the plenipotentiary therein named, and that this House do approve of the same.

He said: Mr. Speaker, the resolution is to secure from the House of Commons, and subsequently from the Senate, of Canada approval of a treaty in the nature of international co-operation which has been entered into between Canada and the United States for the suppression of smuggling across the international boundary, and also to assist in the arrest and prosecution of persons violating the narcotic laws of either government.

This treaty has been negotiated and signed in accordance with the procedure laid down at the Imperial Conference of 1923. Hon. members of the House may recall that in the fall of 1923 a conference was held here at

Ottawa between officials of the United States government and officials of the Canadian government who have to do with the administration of the customs and excise laws of the two countries. It was felt that if a conference could be held at which the officials of the two countries might be brought into immediate and personal touch with each other, it might be possible to draft regulations, subsequently to be embodied in a treaty, which would be helpful to both the United States and Canada in the suppression of smuggling into either country. As I have mentioned, the officials of the United States government came to Ottawa for the purpose of conferring with our officials here. As a result of that conference a report was presented to the governments of the two countries, which subsequently became a matter of further negotiation between ministers of the two governments, and a treaty was drafted. It was signed at Washington on June 6th of last year, signed on behalf of the United States by Mr. Secretary Hughes, and on behalf of Canada by the hon. Minister of Justice (Mr. Lapointe) who received from His Majesty the King full powers enabling him in respect of Canada to sign on His Majesty's behalf. The treaty, so far as the United States is concerned, was submitted to the United States Senate for advice and consent of ratification last year, and the advice and consent of ratification on behalf of the Senate was obtained on December 12, 1924. What the government is seeking at the moment is approval by this House of the treaty as a preliminary to ratification on the part of Canada. When ratification by Canada has been obtained exchange of ratifications between the two countries will be made and the treaty will then become law.

The provisions of the treaty relate in the first place, to the exchange of information between the officials of the two governments with respect to clearances of vessels, or the transportation of cargoes, shipments or loads of dutiable articles across the international boundary. The treaty provides that where the officials of the United States government or of the Canadian government request the officials of the other country for information with respect to such clearances of vessels, transportation of shipments of articles across the international frontier, that information shall be given.

It provides further that where there is reason to believe in respect to clearances of vessels to any ports smuggling is about to take place with respect of any articles which are prohibited entry into either of the countries, the officers of the country from which these articles are about to be exported shall give information to the officers of the other country to assist in preventing these smuggling operations.

A further clause provides that where it appears, from the size or tonnage or general character of any vessel about to clear from a port either of the United States or Canada to some port named that it would be impossible for the vessel to reach the destination named, clearance shall be denied by the custom officers to any such vessel if carrying cargo consisting of articles the importation of which into the territory of Canada or of the United States is prohibited. I may say that this is a restriction which our Department of Customs is now enforcing as a departmental regulation. This treaty if it pases, will make the regulation a matter of international obligation.

There is a similar clause in the treaty with respect to the names and activities of persons known or suspected to be engaged in violation of the narcotic laws of Canada or the United States, the underlying idea being that the officials of both countries are interested in doing all they can to suppress the narcotic evil; it is therefore provided that they shall co-operate and assist one another by exchanging information wherever they have reason to believe that an effort is being made to violate the narcotic laws of either country.

There is a clause in the treaty which provides for the return to the owners in either country of property that has been stolen and taken across the border and there seized by customs officials of the other country. It has happened very often of late that articles, automobiles especially, have been stolen in one country and taken across the border to the other, in order that the offenders may the more readily escape punishment, and often to permit of the disposal of the article on the other side. It has been found in some cases that the owners of the articles have suffered in consequence through there not being an adequate requirement under which the stolen article shall be returned to its owner. The provision in the treaty will assist bona fide owners to recover stolen property in circumstances of the kind.

Mr. MEIGHEN: What has been the practice in the past?

Mr. MACKENZIE KING: I understand that in the past effort has been made to secure restoration, but that the matter has frequently necessitated considerable negotiation; there has been difficulty in a number of cases in effecting a speedy restoration of stolen goods.

I am informed by the Minister of Justice that there has been in force during the last few months a departmental regulation covering the matter. I presume it is along the lines of the provision of the treaty in that regard.

There is also a provision in the treaty which will facilitate the giving of evidence in the courts of the other country of the customs and other administrative officials of either country who may have knowledge of violation of the law respecting smuggling or narcotics; the treaty provides they shall upon request be directed to attend as witnesses in civil or criminal cases. In other words Canadian customs officials may give evidence in United States courts, and shall give evidence in those courts if requested by the government of that country, the payment of their expenses devolving in such a case upon the government of the United States. Similarly our officials or departments will have the right to ask officials of the United States government to come into our courts to produce documents and give evidence with respect to matters of which they may have knowledge and which our officials may desire to have investigated in our own courts.

There is a provision also with respect to the conveyance of prisoners, wreckage and salvage where offences have been committed against the narcotic laws of the respective governments. There is also a provision which admits of the importation into the Yukon, through American territory, of liquor that is being legally imported under Yukon regulations or laws. The provision in that regard is simply to provide as respects importations into the Yukon the same rights of transit across American territory in the vicinity of the Yukon as is given with respect to the transit of alcoholic liquors through the Panama canal or on the Panama railroad.

The treaty is to be in force for one year and thereafter subject to thirty days' notice. It will come into force ten days after ratification.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): I am not clear as to one thing, that is as to the restriction on the shipment of goods by vessel. I understood the Prime Minister to say that when a vessel was clearing, if it appeared that the destination, having regard to the size of the vessel, was so far away that she could not reach that port within the time specified clearance would be denied.

Mr. MACKENZIE KING: Yes, that is right, not likely to be able to reach the port.

Mr. MEIGHEN: I was not aware, in the case of the departure of a vessel, that the time was fixed as to when it was to arrive at its destination.

Mr. MACKENZIE KING: I might read to my right hon. friend the section of the treaty which covers the point he has raised.

Mr. MEIGHEN: Which one please?

Mr. MACKENZIE KING:

The high contracting parties agree that clearance from Canada or from the United States shall be denied to any vessel carrying cargo consisting of articles the importation of which into the territory of Canada or the United States, as the case may be, is prohibited, when it is evident from the tonnage, size and general character of the vessel, or the length of the voyage and the perils or conditions of navigation attendant upon it, that the vessel will be unable to carry its cargo to the destination proposed in the application for Clearance.

Mr. WOODSWORTH: Has that been carried out by departmental regulation for some time?

Mr. MACKENZIE KING: I understand the departmental regulation has been with respect to furnishing information to the officials of the United States government by our government where there was reason to suspect that the owner of a vessel was intending to smuggle prohibited articles into the United States.

Mr. WOODSWORTH: That has been done in such a place as Windsor?

Mr. MACKENZIE KING: Yes.

Mr. MEIGHEN: Belle River?

Mr. BLACK (Yukon): Is this the same treaty concerning which a resolution was on the order paper last session and was withdrawn because the United States Senate adjourned without ratifying it?

Mr. MACKENZIE KING: Yes. My hon. friend is right.

Mr. MEIGHEN: I understand that under the rules the House does not go into committee to consider the resolution in detail. I do not know just under what provision—

Mr. McMASTER: I rise to a point of order. I wish we had a rule in this House which would make the leaders of parties speak in audible terms.

Mr. MEIGHEN: Among other qualifications of my hon. friend he would be quite up to the mark on that score. Under the rules, I am informed, there is no provision by

which this resolution can be considered in committee in detail. If that is correct I very much regret the fact. I recall that the ratification by parliament of the French and Italian treaties in some way was considered in committee in detail.

Mr. LAPOINTE: Because, apart from the approval of the treaty, legislation was needed.

Mr. MEIGHEN: Yes, that is right. The explanation is no doubt correct. But misfortune, though, is still apparent because we cannot consider and question details of this treaty in a formal debate in the House. I say this not because I have in mind any rigorous criticism of the treaty itself. The purposes the treaty has in mind I quite approve of, and I have no doubt every hon. member of the House does as well. Smuggling of recent times has become not only a fine art but a very remunerative and widely extended occupation—one of the most successful, one of the few prosperous occupations of the present time in this country. The dimensions which smuggling has reached, according to the views of those who should know best, are really appalling. I regret that the Minister of Customs and Excise (Mr. Bureau) is not in his seat, as I would like to question him as to his view on this subject.

Mr. MACKENZIE KING: I think my right hon. friend is aware that the Minister of Customs and Excise (Mr. Bureau) has not been well for some time past, and unfortunately this afternoon is indisposed.

Mr. MEIGHEN: I am not intimating that he is away because the treaty is before the House, but I should like to have some information as to the correctness of data furnished by various associations and especially by one, as to the extent to which the smuggling is now carried on. As respects ourselves, it presents a problem much wider than it presents as respects the other contracting party, the United States. I do not presume that country is very much troubled with the smuggling evil, except in respect of narcotics and intoxicating liquors. The treaty, from their point of view, is doubtless framed with a view to meeting the troubles they have encountered in enforcing the Volstead Act. But for ourselves the field to be covered is much vaster. Smuggling into Canada extends from liquors to tobaccos, from tobaccos to cottons, and from cottons to woollens, silks, and all specially valuable articles easily procurable across the border. Consequently the terms of the treaty have very special interest to this country. Many of our laws will be rendered nugatory if smuggling is to be carried on to anything comparable to the degree presented by this association. I am rather disappointed in the terms of the treaty, not that I object to any of them, but they do not seem to me to go any further than what has been, or certainly should have been, the practice of both governments up to the present time. The treaty provides that mutual information shall be furnished by the contracting parties. I think the Prime Minister says that this has been the practice of recent months. Undoubtedly, even without a treaty, it should be the practice at all times and should have been the practice for years departmentally between the governments. I do not object, and there can be no objection appealing to my mind, to this common practice having the sanction of a treaty—resting upon that more secure foundation of making it obligatory upon all parties hereafter. The same provisions seem to be in force with respect to the transfer of liquor. But there is one that may or may not be effective. I refer to the one as to which I questioned the Prime Minister specially—that which is provided in article 2. It seems to me that article 2 would have been better had it made it obligatory upon the party applying for clearance that the period within which the boat should arrive at destination should be stated. All the article now provides is that if it appears to the customs authorities, say of Canada, that any boat sailing from our shores applying for clearance is not likely, because of its size and the distance to be traversed, to reach its destination within the period stated in the application, then clearance may be denied. It may be one of the regulations of the department that within the application there shall be a stated period, but the department would still be at liberty, so far as this treaty is concerned, to abandon that phase of the regulations. Simply by doing so article 2 would be rendered nugatory. I have not much faith, from what information I have received, in the officers of the Customs department of this country exercising any particularly scrupulous srutiny over clearance papers prior to departure. There have been certain notifications from the department which go to show they have a very wholesome view of exportations from Canada, no matter what the article or destination. The other provision with reference to the return of stolen property is of course an obviously correct one. I have had complaints as to property shipped from the United States to Canada being stolen and not being recover-

able, but it always seemed to me very hard to understand why it would be difficult, once the real owner was discovered, to see to it that some means was provided whereby he could at least come to this country and get his property. The provision as to the interchange of witnesses seems to me a practical and useful one. That is to my mind the principal provision of this treaty. The rest in the main merely covers what is obvious, and what has been, or at least should have been, the practice all along; but the officers of either government would not be compellable to testify in the other country, unless provision was made therefor. The making of this provision should render more easy the establishment of the offence in whichever country committed. All that can be done is to wish well of the treaty and to remark that its efficacy depends to the extent of ninety-nine per cent upon the earnestness and determination of the government and its officers.

Hon. ERNEST LAPOINTE (Minister of Justice): As far as the several sections of the treaty are concerned, it may be that they might go further, some of them could go further, as suggested by my right hon. friend; but I would call attention to the fact that this treaty is based largely upon an understanding reached in Ottawa two years ago by the officers of both governments, and all its provisions were then discussed and fully considered, and the result is what the officers thought best for both countries to agree upon. As far as the evil of smuggling is concerned, I agree with my right hon. friend (Mr. Meighen) that it is a most serious evil and that every means should be adopted tending to check it most effectively, and I may say that in that regard the government has decided to deal with the matter in a special way this session by means of legislation and otherwise.

Hon. H. S. BELAND (Minister of Soldiers' Civil Re-establishment and Health): I think that the right hon. Prime Minister (Mr. Mackenzie King) has very fully explained the provisions of the different clauses of the treaty. I also regret that under the rules of the House we are not permitted to go into committee of the Whole, where it would be possible for every hon. member to ask questions and receive answers, but I will content myself at the present time by saying that those who desire the suppression of the narcotic evil in Canada—and for that matter all over the world—will hail with deep satisfaction the new agreement that has been arrived at between Canada and the United States. So far as we are concerned, our narcotic laws are very drastic and very stringent, and inasmuch as Canada does not produce opium or coca-leaves, and furthermore does not manufacture the derivatives of these two raw products opium and coca-leaves, the problem would be very much simplified if we were not deluged with clandestine importations. The treaty which is now submitted to the House for ratification provides for compelling witnesses from either country to attend in the other for the purpose of giving evidence in cases brought before the courts. The treaty also provides for the extradition of persons who may be under bail or convicted under the laws of either country. This will be a great help to us. The House is aware that numberless difficulties confront the Department of Health and also the Department of Justice in administering the act as it stands. It is well known that alkaloids, so-called, or, to use ordinary language, derivatives of opium and coca-leaves, are transported in very small volume, which circumstance makes smuggling all the easier. Another feature of this illicit traffic is that it is rewarded by very large profits.

There are three classes of men with whom we have to deal. We have to deal with the addicts. The House will agree with me that we should regard this particular class with some sympathy. In many quarters they are held to be diseased persons rather than criminals. There is another class, which is not the worst, but which is not to be put in the same class as the addicts. These are the small trafficking people, the deck peddlers, the men who are engaged for a very small remuneration to peddle the powders on street corners, in houses, public places and so on. This class we endeavour to check and to punish as they deserve to be punished. But the class towards which we should turn our attention is made up of ringleaders as we call them, large traffickers, men generally wealthy or in very comfortable circumstances. Under the laws as they exist between Canada and the United States, it is possible for a man of this importance, when he suspects that the Department of Justice, through the mounted police is getting too active towards himself, to cross over the border and thus be immune as far as he is concerned. Should he, through some channel, realize that, for instance, he is going to be punished within a week or two, his means enable him to move immediately across the border. Such a man may conceal himself beyond our power of dealing with him.

That is the case of a man who is suspected, a man who has been the subject of close and persistent investigation for a number of weeks, sometimes for a number of months. Let us go one step further and take the case of a man who has been arrested and who is out on bail. Nothing prevents this man from crossing over the border into the United States and thus relieving himself from any anxiety of action being taken against him under our law. Further, let us take the case of a person who has been convicted under our laws and who appeals against the decision of the court of first instance. He is allowed out on bail. Again, we have a man who has been convicted of carrying on illicit traffic and who can pass over the border and so escape the punishment which he deserves. The treaty as it is now submitted provides for power of extradition of such parties. I am informed by the officials of the Health department that no less than ten or twelve cases have happened during the course of the last twelve months between Canada and the United States, and as regards the United States, we know of three cases where the suspected person, the convicted person, has disappeared from their territory and is probably located in Canada. The department has been supplied with photographs and descriptions of those persons, and were it possible for us to locate them in Canada, we would be absolutely powerless inasmuch as to-day our law does not provide for extradition.

There has been between United States and Canada in this connection very close co-operation. Since I have been at the head of the Health department, I think Canada can congratulate herself on the fact that the closest co-operation has existed between the inland revenue service of the United States and this department. Last year, to exemplify what I have just stated, at our request the United States authorities seized a shipment of 100,000 ounces of coca-leaves which had been landed in New York and had as its destination a fictitious firm in Montreal. What was contemplated by the ringleaders in the United States was, during the progress of this train from New York to Montreal on the American side of the border, to empty the car containing that consignment. The United States were requested to deal with this consignment and they did so in a perfectly satisfactory manner.

Now, I do not think I should prolong this explanation, inasmuch as later on, I presume, when the estimates of the Department of Health are under consideration, it will be my privilege to explain to the House the various discussions and negotiations that took place in Geneva during the last opium conference. I may say this much, however, that it is expected that the new convention will prove a step in advance over the convention of 1912 which was decided upon at the Hague. The explanation I had intended giving to the House will have to be postponed in view of the fact that the convention as it was signed early in February has not yet reached me. So far as this treaty is concerned, however, I want to say emphatically that our task will not be made any less arduous but will be rendered the more effective of execution by reason of the fact that we shall be in a position to deal with those powerful traffickers who up to the present time have been mocking at the governments both of the United States and of Canada.

Mr. HANSON: The first paragraph of the treaty provides that customs and other officials of the respective governments of Canada and the United States shall upon request be directed to attend as witnesses, and so on. Upon whose request are they to attend? Will it be the request of the respective governments? Will these officials, some of whom may be resident in the country of which they are not nationals,—say the immigration officials of the United States resident in Canada —be answerable on a subpoena? I may say to the Minister of Justice (Mr. Lapointe) that at the present time United States immigration officials resident in Canada, while they will answer a subpoena, refuse to give any evidence which they may have collected in the course of their official duties.

Mr. LAPOINTE: The request, no doubt, will have to be made by the accredited representatives of either government, and in the usual manner.

Hon. GEORGE P. GRAHAM (Minister of Railways and Canals): In the absence of the Minister of Customs (Mr. Bureau), who unfortunately is ill, I may be permitted to say a word or two. I know that the press has been rather misconstruing a remark which the Minister of Customs made recently in the House in reference to the difficulty of altogether eliminating smuggling. What he had in mind undoubtedly was that in this matter, as in the case of sin, the elimination of the evil cannot be altogether accomplished in this world, although it can be suppressed and reduced to a minimum. This much must be admitted, however, that in recent years smuggling has apparently got to be a science. Whether it be that prohibitions are too strong for human frailty and the desire has conse-

quently been cultivated to break all laws in sight, I am not prepared to say; but this does seem to be the case, that the smugglers both ways have got to understand the rule of transportation, that in order to obtain cheap rates you must have a return cargo. When they take spirituous liquors one way they are inclined to carry silks back, and so they make a double profit. The Minister of Customs is very much alive to this situation, and he informs me that he is going to ask this House to give him the right, without referring to the Civil Service Commission, to select a number of men specially fitted for this particular work of prevention in the smuggling practice. I do not think that there will be any question about conceding him that right to appoint men of a certain stamp who are specially qualified to suppress this evil. The evil is not only a moral excrescence but it is also a source of financial loss to the country, and the minister should be permitted to select a number of men, large or small as he sees fit, who, he thinks, have special qualifications for this particular work.

Mr. LEWIS: Can you not get those men through the Civil Service Commission?

Mr. GRAHAM: They are so obtained now.

Mr. LEWIS: Well, is it not possible to get them in the same way in the future?

Mr. GRAHAM: I say no, most emphatically. It seems to me you might as well go to the Civil Service Commission for a clergyman.

Mr. MEIGHEN: May I inform the minister that that is done under the act?

Mr. GRAHAM: I shall proceed with the remarks I was going to make.

The government is seriously considering the advisability of bringing in more stringent legislation for the prevention of smuggling. I take it that it would be harsh if the man or woman who smuggled small articles—and nearly all of you do—were to be prosecuted criminally. On the other hand, there seems no great reason why men or women who deliberately violate the law to the financial loss of their fellow taxpayers and for their own profit should not be prosecuted to the full extent. I will not dwell further on the evils of smuggling, but I would point out that the practice has got to such a stage that a very stringent remedy will have to be applied if it is to be curtailed, as it ought to be curtailed.

Mr. JACOBS: Why not have free trade altogether?

Mr. GRAHAM: Well, if we could get free trade altogether it would do; but that is impossible in this world. There is something else besides silks that comes over here, and it may surprise some of our people to learn this. While we are continually talking about spirituous liquors being exported to the United States, there is a large quantity coming into Canada from that country at the present time, mostly in the form of alcohol. Although perhaps on the Detroit river and in that vicinity there is not much reciprocity in the imports and exports of liquor, in one or two other parts of Canada there are coming in to-day large quantities of alcohol. This alcohol I know was recently tested and was found good in every respect, and it was placed in the stores of men in the big cities, merchants who are permitted by law to sell alcohol, and they can sell this at a price less than half what they would have to pay for the same alcohol if they purchased it legally in Canada.

Something else that calls for a remedy is the considerable traffic which is taking place illegally in the whiskey business between Canada and the United States. In 1922, at the request of the provinces, this parliament enacted an amendment to the Canada Temperance Act by which on the request of the provinces, through order in council, certain authority vested in the federal parliament was to be handed over to the provinces. Through this authority the control of the export of liquor can be put into practical effect by the provinces themselves. But to my mind there has been something lacking up to the present time to give that legislation full effect, and we hope the deficiency will be supplied by this treaty. Therefore, if the provinces interested would take advantage of the legislation of 1922, with the power therein conferred supplemented by the provisions of this treaty, they could, I believe, bring about a far better state of affairs in the border localities between Canada and the United States. We are hoping that this improvement will be brought about, because I am free to say that at present there are towns in Ontario which, although the people from the town council down hold strong temperance views, are being made ports of export for whiskey manufactured legally, but peddled illegally. If this result is accomplished, then I say the treaty will be worth while.

Mr. L. J. LADNER (Vancouver South): Does the treaty better ensure the payment of excise duties in any way? It is common knowledge in British Columbia that large shipments of liquor take place presumably to Mexico or South America, but after being taken out into the gulf a short distance they are brought back into Vancouver or the adjoining districts and are sold at much lower prices than those charged by the provincial government. This is said to be due to the excise duties being evaded in the bonded warehouses under present arrangements.

Mr. GRAHAM: Under this treaty the officers are given power to refuse clearance if in their judgment the vessels are not of sufficient capacity or are not intended to land their cargoes at the port for which they clear.

Mr. LADNER: Why could not the excise duty be assessed and the exporters be given a refund upon evidence of delivery of their cargoes at the ports for which they were given clearance? That would certainly ensure the government getting the duty.

Mr. GRAHAM: I do not think that is in the treaty.

Mr. JOHN MORRISON (Weyburn): The Minister of Railways (Mr. Graham), in speaking for the Minister of Customs (Mr. Bureau) stated that his colleague was going to ask for the privilege of going over the head of the Civil Service Commission in order to secure a competent staff to better enforce the laws against smuggling. I do not think he paid much of a compliment to the civil service. In my opinion something should be done to improve the standard—

Mr. GRAHAM: Might I interject that the suggestion comes largely from the Manufacturers' Association. They are very deeply interested in the prevention of smuggling.

Mr. MORRISON: Well, I am going to offer a suggestion also. I would suggest that in the examinations for the civil service applicants should be examined as to their integrity as well as their ability to pass written examinations.

Mr. MACKENZIE KING: How will the hon. member examine any man as to his integrity?

Mr. MORRISON: If the Prime Minister will answer my question he will find the answer to his own. If the Prime Minister were at the head of a big business concern, would he tell the House that he would not examine into the integrity of any applicant for a position of responsibility? Certainly he would.

Mr. MACKENZIE KING: By written examination?

Mr. MORRISON: You would go about it in the same way as the head of any business concern.

Mr. MACKENZIE KING: I would remind the hon. member that the Civil Service Commission advertise vacancies, hold written examinations and make appointments. How, under such a system, could the commission test a man's integrity?

Mr. MORRISON: The Civil Service Commission examinations do not go far enough. Men get into the civil service who are absolutely unfitted for the work they have to do and are a menace both to the service, and to the public, but once they get in it is impossible to get them out. The minister's statement proves that there are inefficients in the service. No member likes to get up and cite a case near home, but we know of men who could not get a job with a good firm who get into the civil service, and then no power in Canada can get them out. They should be investigated as to their integrity, the same as any business concern would investigate them, and if they had not a good clean record they should not be considered for a moment.

4 p.m.

Mr. WOODSWORTH: Mr. Speaker, with respect to the enforcement of the law against smuggling, when we were discussing the Royal Canadian Mounted Police a couple of sessions ago it was said that we needed this body to enforce the laws of the Dominion. Do I understand that they are not fitted for doing this kind of work?

Some hon. MEMBERS: Carried.

Mr. SPEAKER: Is it the pleasure of the House to adopt the motion?

Mr. WOODSWORTH: May I have an answer as to whether the Royal Canadian Mounted Police is to be reinforced by still another police force?

Mr. SPEAKER: I might remind the hon. member and the House that we are not in committee of the Whole, and consequently no one except the mover may speak twice on the motion. By unanimous consent of the House I am willing to let the minister answer, but questions are being put by hon.

members which, strictly speaking, are not according to the rules.

Mr. W. G. McQUARRIE (New Westminster): Mr. Speaker, I do not see how it is possible to stop smuggling if we leave our doors open at night. That is actually the case in some parts of the Dominion. According to my latest information, that statement is correct in respect of British Columbia. On the Pacific highway and on other roads in my constituency leading to the United States, on which the principal traffic between the two countries takes place, the customs officers both of Canada and the United States are not on duty after one o'clock in the morning. Neither government provides a sufficient staff to attend to the business. Now, perhaps the man who goes in for smuggling should do so in the day time, but usually he does not, his favourite time is at night, and there is nothing in the world to prevent him from smuggling as much as he likes along those roads in the night-time. If my information is correct, there is something wrong with the administration. If you want to stop smuggling you will have to have a staff on duty at night as well as in the day time, because smugglers are active at night. Now what is wrong with the administration if the statements I am making are true, and I think they are? Why cannot this government and the government of the United States do business in a businesslike way, and put on sufficient staffs to prevent smuggling along the principal roads in any event?

Mr. GEORGE BLACK (Yukon): I would like to call the attention of the government to the fact that at least two years ago when the treaty between Great Britain and the United States in relation to the smuggling and handling of liquor was before this House for ratification, it was pointed out to the government that the right now accorded by Article VII of the treaty which this House is now asked to ratify could have been obtained at that time. I pointed out then to the minister that by the insertion of a simple paragraph, such as this Article VII, in the treaty between Great Britain and the United States the same right could have been obtained, and I predicted that we would have to wait a long time to get that concession, if it can be called a concession, from the United States. That prediction has come true.

The only practical way whereby goods can be imported into the Yukon territory is through the United States port of Skagway in Alaska, and for twenty-five or thirty years past up until about three years ago there had never been any objection to the importation in bond of British goods into the Canadian territory of Yukon across that narrow strip of Alaska. But suddenly the United States proclaimed that it was illegal to take intoxicating liquors across that narrow strip of United States territory either in bond or under guard, and it shut out importations even by the government. In the Yukon territory the handling of liquor is done entirely by the government. It is sold by government shops, and without prescription, as a beverage, and the administration of the law is very satisfactorily carried out; but because of this change of policy on the part of the United States it has been practically impossible for the past two years up until last fall to take any liquor into that country, and in consequence, the people of that territory were driven to the subterfuge that people in the United States and in Ontario who desire liquor for beverage purposes have resorted to when they require liquor for beverage purposes. For upwards of a year now people of the Yukon requiring alcoholic liquor for beverage purposes have had to go through the form of getting a prescription from a medical practitioner. They have had to pretend they were sick, they have had to have a doctor pretend he thought they were sick, in order to give them a prescription. There was really no necessity for that, and I am glad to see that that method will no longer be necessary when this treaty finally goes into effect.

I would like to comment on the fact that the government has tied itself down to only one means of transportation into the Yukon. It is provided by Article VII that:

> No penalty or forfeiture under the laws of the United States shall be applicable or attached to alcoholic liquors, or to vessels, vehicles or persons by reason of the carriage of such liquors when they are in transit under guard by Canadian authorities through the territorial waters of the United States to Skagway, Alaska, and thence by the shortest route, via the White Pass and Yukon railway—

It is true that most freight going up there goes by the White Pass and Yukon railway, but that is not the only means of ingress and egress to or from that country. Suppose that railway happened to close down or was tied up for a period of time; this section of the treaty would then be inoperative. I do not see why the government should have limited itself to one railway line, because it is not by any means impossible or impracticable to take goods into that country by other means, both by way of the White Pass and by way of the Yukon river. But the treaty will better the present state of affairs, and for my part I think its provisions will be very well received by the inhabitants of Yukon, as they do not like the present method.

In regard to the remarks that have been made in connection with the Royal Canadian Mounted Police and the part they have played in the prevention of smuggling and the violation of law generally, I do not think that the discussion of this treaty should have been made the opportunity for an unnecessary slam on the Royal Canadian Mounted Police, because I think that body does not need apologists either here or elsewhere. I think probably that if the Royal Canadian Mounted Police were given more authority and a little freer hand in enforcing the laws of this country, the laws not only with respect to smuggling but as to crime generally would be much more efficiently enforced. I have no doubt that their services will be called into use in many instances in enforcing the various sections of this treaty.

Before I sit down, I would again call the government's attention very seriously to the restriction I have mentioned contained in Article VII. Although most of the goods come in over the White Pass and Yukon railway, there are other means of transportation.

Mr. LAPOINTE: In reply to my right hon. friend—

Mr. SPEAKER: Of course, the hon. gentleman can only speak again by unanimous consent.

Mr. LAPOINTE: My right hon. friend has referred to the fact that two years ago there was submitted to this House a treaty between Great Britain and the United States concerning the liquor traffic, and he says that at that time we should have inserted such a provision as is now contained in Article VII of the present treaty. That treaty, as my hon. friend knows, was negotiated by Great Britain. It was submitted to this parliament for our approval, and we did approve it. We had to approve it in the form in which it was, or otherwise we would have had to negotiate a separate treaty by ourselves including such a provision as Article VII of the present treaty contains.

My hon. friend also says that we should not confine ourselves in this treaty to the specific means of transportation mentioned in Article VII. Well, as a matter of fact, Canada claims that we have the right to transport liquor over the Yukon river; but this right is denied by the United States. However, the means of transportation which is mentioned in Article VII is really the best means so far as Canada is concerned, as I understand, and that is what Canada has been asking from the United States. My hon. friend knows, however, that if we have the right to use the Yukon river, we still have it even after this treaty has been negotiated. Section 7 of the treaty gives us an additional right, but does not remove at all any right we may have had before, to use the Yukon river.

Motion agreed to.

Mr. MACKENZIE KING moved:

That a message be sent to the Senate informing their honours that this House has adopted the above resolution and requesting that their honours will unite with this House in the approval of the above mentioned treaty, and that the Clerk do carry said message to the Senate.

Motion agreed to.

NARCOTIC ACT OFFENDERS

EXTRADITION TREATY BETWEEN CANADA AND UNITED STATES

Right Hon. W. L. MACKENZIE KING (Prime Minister) moved:

Resolved by the House of Commons,—That it is expedient that parliament do approve of the convention between His Majesty and the President of the United States of America for the purpose of enlarging the list of crimes on account of which extradition may be granted with regard to certain offences committed in the United States or in the Dominion of Canada under the convention concluded between Great Britain and the United States on the 12th July, 1889, and the 13th December, 1900, and the 12th April, 1905, and the 15th May, 1922, which was signed at Washington on the eighth day of January, one thousand nine hundred and twenty-five, and which was signed on behalf of His Majesty in respect of Canada by the Plenipotentiary therein named, and that this House do approve of the same.

He said: The resolution itself gives the House practically all the information, it will, I think, wish to have with respect to this particular treaty. The treaty or convention arises, in a way, out of the one which has just been approved by the House, and makes special provision for the extradition of persons from one country to the other who have violated the narcotic laws of either country. In international law there is no obligation upon a country except by treaty, to surrender persons who have violated the laws of another country, and while, up to the present time, there has been an extradition treaty between Great Britain and the United States, which includes Canada, with respect to a number of offences, offences against the narcotic laws of the two countries are not included. The purpose of the present treaty is to provide the power of extradition as between this country and the United States where offences are committed in either country against the narcotic laws of the other.

As is set forth in the resolution the treaty was signed at Washington on January 8, of the present year, and consent of the United States Senate to ratification was obtained on January 27. The procedure of the negotiation and of the signing of this treaty has been in accordance with the procedure laid down at the Imperial Conference in 1923, and the procedure with respect to ratification will also be in accordance with the understanding reached at that time unanimously by the several governments of the empire. It may interest the House to know that extradition treaties have been signed between His Britannic Majesty and the United States at various periods since 1842, notably in 1889, 1900, 1905 and 1922, providing for the surrender of persons against whom prima facie evidence exists of certain crimes. The list of such crimes now includes murder, manslaughter, arson, burglary, embezzlement, perjury, bribery, and other specified offences. It is now proposed, as regards Canada and the United States, to add to the list of crimes or offences for which extradition may be granted, crimes or offences against the laws for the suppression of the traffic in narcotics, of the country making the request for extradition.

Previous extradition treaties between His Britannic Majesty and the United States—1842, 1889, 1900, 1905, and 1922—applied to cases in which the crime was committed, or, in the other contingency, in which the offender was found, in the United States or in any part of the British Empire. The present agreement is confined to cases in which the offence was committed in the United States or in the Dominion of Canada, and the person so charged is found in the Dominion of Canada or the United States respectively.

The necessity for such an agreement arises from the elaborate organization of drug rings throughout the world, and the dimensions to which the traffic has developed. The Minister of Soldiers' Civil Re-establishment and Health (Mr. Beland) speaking a moment ago gave to the House very fully, the reasons which render advisable this treaty for the extradition of offenders against the narcotic laws.

Mr. MEIGHEN: Before the Prime Minister sits down—I notice this is called a "convention" and the former arrangement a "treaty"—would he tell us what the difference is?

Mr. MACKENZIE KING: The two terms are largely interchangeable. They are both more or less formal; a "treaty" is more formal and important than a "convention." I would assume that in the present case use of either term might have been correctly made. The matter dealt with here being a minor matter and the agreement being largely in the nature of an amendment of a former treaty, it was not given the designation of "treaty" but the less formal designation of a "convention."

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): I am a little confused not only at the various titles to these many documents but the variety as well of the style of recital. I noticed that the last document was termed a "treaty" and I have always been under the impression, which the Prime Minister was under, that a treaty is the more formal, being entered into between the heads of the contracting states. A "convention," the least formal, is usually, in fact is always, entered into between the states themselves, for example the Post Office convention that exists between Canada and the United States, but here we have a treaty which is supposed to be the most formal and it starts in this way: "His Majesty the King of the United Kingdom" and so forth and "the United States of America"—that is, between the head of the one country and the other country—"being desirous of" and so forth, "agree as follows." But instead of calling it a "treaty" they called it a "convention." Coming now to the second document with which we are dealing at the present time, instead of being as the first one was between His Majesty the King and the United States—formal on the one side, informal on the other—this convention is formal on both sides. It is between "The President of the United States of America and His Majesty the King of the United Kingdom of Great Britain and Ireland and of the British Dominions beyond the seas, Emperor of India" and so forth. What I am drawing attention to is that it is only confusing to have these various titles. As a matter of fact under the very reading of the document the greater formality attaches to the "convention;" it is between the heads of the two states. There is a lot of fine doctrine now appertaining to these matters since this complicated arrangement was made in 1923, so much so that I am lost in the maze of the whole thing.

Mr. McMASTER: Then why are you endeavouring to instruct us?

Mr. MEIGHEN: I am not endeavouring to instruct, I am endeavouring to find out the facts, and I have more faith, perhaps, in the hon. member for Brome really shedding

some illumination than I am in getting it from any other source. I hope, therefore he will have pity on my mystification and come to the rescue before it is too late. Where are we going to drift to in these matters? There are other documents to be ratified. I think the next two are called "conventions" and they are differently described altogether as respects the parties between whom they are negotiated. I would think uniformity would be best—uniformity all down the line—and so far as I am concerned I think it would be better to follow the heading in this convention in every single instance. Then we would know that at least we are following a certain definite form. We would understand what it is and why it is. We would not be mystified between various forms of language and different titles and no logic or reason in them at all. I make this comment also: that it would be better, it seems to me, if we could have fewer of these treaties, conventions, or whatever in the world you call them, and get them all into one. In the last one there is a provision for the extension of the extradition rights. Why was not that treaty, which was concluded only a few months before this one, made wide enough to include this one?

Mr. MACKENZIE KING: I think I can answer that to my hon. friend's satisfaction. There is some rule of procedure with respect to extradition law which is different from the rule with respect to other classes of treaties. In other words, matters relating to extradition are supposed to be surrounded with the greatest secrecy, which does not apply to other treaties. The United States government, when it was suggested to amend the extradition law, requested that it should not be made a part of the treaty regarding smuggling. Their reasons for it, as I have said, as given to us, were that in matters relating to extradition they preferred that the whole matter should be kept as secret as possible and not made part of a general treaty. It was at the instance of the United States government itself that the matter was presented in a separate, supplementary document.

Mr. MEIGHEN: I am not clear as to where the difference in secrecy lies between a convention and a treaty. One is just as public as the other. But the point I was making was this. In the treaty regarding smuggling there is provision as to extradition; if it is not extradition, it is something very close to it. I read from the treaty this clause:

[Mr. Meighen.]

The following offences are added to the list of offences numbered 1 to 3 in article 1 of the treaty concluded between Great Britain and the United States on May 18, 1908, with reference to reciprocal rights for Canada and the United States in the matters of conveyance of prisoners and wrecking and salvage, that is to say:

4. Offences against the narcotic laws of the respective governments.

This may not be actually extradition, but it is about the same. It would seem to me there is no substantial objection to having the whole of them in one, and very probably these two subsequent ones as well. Really it is a bad month nowadays when we do not have a new convention with the United States. I am beginning to think we shall have to adopt the suggestion made by the hon. member for South York (Mr. Maclean) for approach to this House. We shall have to construct a tube between here and Washington, so as to enable the minister to get down there and return with expedition. He could probably add roller skates to his equipment.

Hon. ERNEST LAPOINTE (Minister of Justice): With reference to the terms "convention and treaty", my right hon. friend the Prime Minister (Mr. Mackenzie King) might have said those two terms were used interchangeably. But to relieve my right hon. friend (Mr. Meighen) of any anxiety in the matter, I may say I have here the first extradition treaty between the United States and Great Britain. It was called a treaty, and was negotiated in 1842. Then in 1889 new offences were added to the list of those that were extraditable, but then it was a convention supplementary to the treaty. In 1900 another convention was entered into, still supplementary to the treaty. In 1907 another convention was signed and called a convention. So the convention of this year is still a convention, and I think every one of us ought to be satisfied with the name. My right hon. friend asks, why have a separate treaty or convention to add this offence to the list of extraditable offences, when in the other treaty concerning smuggling there is a section adding the same offence to the list of those with reference to the reciprocal rights of Canada and the United States in the matter of conveyance of prisoners? Well, it is not the same thing at all. This treaty for the conveyance of prisoners is a separate treaty entered into in 1908. It does not give the right of extradition, but it gives the right of an officer of either the United States or Canada who is in custody of a prisoner on his own territory, to convey him on the territory of the other country for the purpose of bring-

ing him into his own territory. That is simply to avoid long transportation in some cases, but it is quite different from an extradition treaty. Now, as has been suggested, perhaps it would have been better not to put the provision in the same treaty, because the extradition treaty is a special document; but at the same time, when the first treaty was signed, the other one might have been signed also. Canada was prepared at that time to sign the extradition treaty adding the special offences, but the United States was not prepared to sign it. There must be agreement on both sides in arranging a treaty; so that we had to postpone the signature of this one.

Mr. McQUARRIE: What are the additional crimes referred to in this resolution?

Mr. LAPOINTE: All the crimes and offences against the law for the suppression of the traffic in narcotics. My hon. friend will find a list of them in chapter 22 of the Revised Statutes of 1923.

Motion agreed to.

Mr. MACKENZIE KING moved:

That a message be sent to the Senate informing their honours that this House has adopted the above resolution, and requesting that their honours will unite with this House in the approval of the above-mentioned treaty. And that the Clerk do carry the said message to the Senate.

Motion agreed to.

MINERS AND STEEL WORKERS

On the Orders of the Day.

Mr. WILLIAM IRVINE (East Calgary): In view of the fact that the provincial government of Nova Scotia has not appointed a commission upon which the Prime Minister based his refusal to take action, and in view of the fact that a deadlock still persists and the conditions of distress still prevail, does the government now intend to take any action.

Right Hon. W. L. MACKENZIE KING (Prime Minister): The government will be pleased to take into consideration the representations the hon. member has just made. Up to the present time we have not had an opportunity of considering the matter.

MILITARY DISTRICT NO. 10—COAL INQUIRY

On the Orders of the Day.

Mr. J. S. WOODSWORTH (Centre Winnipeg): Does the government propose to lay on the table the report of the royal commission appointed to investigate the alleged frauds in the sale of coal to the Department of National Defence in military district No. 10?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I am unable to say whether it is the present intention of the Minister of Defence. I do not think he will have any objection but I would rather the hon. member would permit the matter to stand till the minister himself is present, when he will be in a position to give a definite answer.

SELECT STANDING COMMITTEES

On the Orders of the Day:

Mr. W. G. McQUARRIE (New Westminster): When does the government propose that the committees of this House should get down to business? Last year there were no meetings of committees until after the Easter adjournment, I think, and the session was prolonged into July. Is the same thing going to happen this year? Would it not be possible to have committees sitting immediately so that we might get down to business?

Right Hon. W. L. MACKENZIE KING (Prime Minister): That, I think, is a matter for members of the committees themselves to decide. If my hon. friend is on a committee and would like it to meet, he has only to ask the whip to see that it be called together.

Mr. McQUARRIE: I will certainly do that.

SOLDIER SETTLEMENT—REDUCTION OF INDEBTEDNESS

On the Orders of the Day:

Mr. ALFRED SPEAKMAN (Red Deer): Is it the intention of the government to introduce legislation during this session to provide for reduction of indebtedness on the part of returned men who have taken land under the provisions of the Soldier Settlement Act?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I am afraid I shall have to ask the hon. member to allow his question to stand until the Minister of Immigration and Colonization (Mr. Robb) is here.

Mr. SPEAKMAN: I will repeat my question when that hon. gentleman is in his seat.

CANADIAN NATIONAL RAILWAYS—BRANCH LINES

On the Orders of the Day:

Mr. N. H. McTAGGART (Maple Creek): Will legislation be introduced at this session making provision for the construction of Canadian National branch lines; and if so, when is it expected that legislation will be brought down?

Right Hon. W. L. MACKENZIE KING (Prime Minister): Perhaps, my hon. friend will allow the Minister of Railways and Canals (Mr. Graham) to answer that question to-morrow.

FEDERAL AID TO HIGHWAYS

On the Orders of the Day:

Mr. A. L. BEAUBIEN (Provencher): Have the government any announcement to make in regard to federal aid to highways?

Right Hon. W. L. MACKENZIE KING (Prime Minister): No announcement to make.

OCEAN SHIPPING RATES

AGREEMENT WITH SIR WILLIAM PETERSEN—MOTION IN FAVOUR OF RATIFICATION

Hon. T. A. LOW (Minister of Trade and Commerce) moved that the House go into committee to consider the following proposed resolution:

That to give the government of Canada control over certain ocean rates it is expedient to ratify and confirm the agreement between His Majesty and Sir William Petersen, K.C.B.E., as set out in the schedule to this resolution, and dated the eleventh day of December, one thousand nine hundred and twenty-four, and that in view of the provisions of said agreement giving the government control over such rates and of the services to be performed thereunder, the Governor in Council may authorize payment out of the consolidated revenue fund to the said Sir William Petersen, K.C.B.E., of an annual amount of two hundred and seventy-five thousand pounds in the manner and for the period provided for in the said agreement.

Schedule

Articles of Agreement

made this eleventh day of December in the year of Our Lord 1924,

BETWEEN

His Most Gracious Majesty King George V represented herein by the Honourable Thomas A. Low, His Majesty's Minister of Trade and Commerce for the Dominion of Canada, hereinafter called "the minister," of the one part; and Sir William Petersen, Knight Commander of the British Empire, of the city of London in that part of the United Kingdom of Great Britain and Ireland called England, hereinafter called "the contractor," of the other part.

Whereas it having come to the knowledge of His Majesty's government in Canada through repeated and

[Mr. Speakman.]

continuous representations made by the agricultural community of the Dominion and the manufacturing, producing, commercial and financial interests as well as the general merchants throughout the country, that these trading communities and interests have been and are still seriously handicapped and hampered in their trade relations with overseas countries in bringing their products to such markets and there disposing of them profitably owing to certain difficulties and disadvantages which have been artificially created, and it has been shown that such difficulties and disadvantages are due largely to transportation conditions and the uncertainty of ocean rates indiscriminately placed and imposed upon their goods so exported from time to time, such rates being levied by ocean shipping combines and under the control and jurisdiction of such combines or shipping conferences;

And whereas the consumers of Canada are also interested in the control of ocean rates charged on commodities shipped from British and European continental ports;

And whereas the government of Canada after an investigation of the representations brought to its knowledge and after giving the same serious consideration has thought it wise to adopt such means as may be deemed expedient and necessary to exercise such supervision and control of trans-Atlantic freight rates as it is possible for them to do and thereby as far as possible to prevent and defeat any unreasonable excess or overcharge in ocean freight rates as exercised by such ocean shipping combines or conferences to the loss and detriment of its citizens and has reached the conclusion that in order to more fully safeguard the interests of its citizens it would be well advised to enter into an arrangement whereby it may exercise such control or supervision and whereby it may improve the conditions under which the products of its citizens are exported or imported;

And whereas the contractor has offered to supply a fleet of ten up-to-date new ships of the most modern type with all the latest known appliances for ensuring economy, speedy and cheap transportation and fitted in every respect for ocean service, some of which ships are now in course of construction and all of which are to be approved by the British Board of Trade and are to have the highest classification at Lloyd's and Bureau Veritas Shipping Registries, and the contractor is to furnish all particulars and details of such ships to the technical representatives of the government, and have the same approved by them, such particulars and details being referred to more fully in Schedule "A" which forms part of these presents;

And whereas the contractor has offered to establish and maintain the said fleet of ships as aforesaid in the service hereinafter referred to for a period of ten years from the commencement of the said service or for any longer period that may be mutually agreed upon for an annual subsidy of two hundred and seventy-five thousand pounds (£275,000);

And whereas the government of Canada offer to accept the same subject to ratification by parliament and subject to the terms and conditions more particularly hereinafter set out:

Now this agreement witnesseth that the contractor for and in consideration of the premises and of the covenants and agreements on the part of His Majesty hereinafter contained for himself, his executors and administrators,

Doth hereby covenant and agree to and with His Majesty, His Heirs and Successors in manner following, that is to say:—

1. That the contractor shall and will either personally or by a company which he may form (and it is hereby understood and agreed that this contract

may be executed, performed and fulfilled by a duly incorporated company formed or to be formed by or at the instance of the contractor, which company when formed shall be accepted by His Majesty instead of and in lieu of and in substitution for the contractor, and which shall be hereinafter referred to as the "shipping company"):—

(a) Build, equip, provide, establish and during this contract, continue and in the manner hereinafter mentioned, operate a regular shipping service between such ports in Great Britain or Ireland or the continent of Europe, and Canadian ports as may be designated by the Minister of Trade and Commerce for Canada or his representatives from time to time;

(b) Establish and continue and maintain and operate as hereinafter set out the shipping service hereinbefore referred to free from the control of and independent of the Atlantic Shipping Combine or Conference or any other combine or conference now in existence or which may be operated or established upon the Atlantic ocean at any time in the future without the sanction of the government of Canada;

(c) That such service shall be put in effect and maintained with ten ships as hereinbefore referred to and these shall be built and placed in operation with all possible despatch and shall be fully completed and put in service within eighteen months from the date of this agreement (at least two of the same to be placed in service by August 1, 1925) and pending completion of the same, other ships of modern construction properly equipped and of approximately the same tonnage shall be substituted and operated in the said service until the fleet in question is completely constructed and in operation, the said service to commence with at least six ships not later than June 15, 1925;

(d) That the control and regulation of the rates to be charged by the contractor shall rest with the government of Canada and that the government shall fix such transportation rates on all commodities from time to time;

(e) Make proper provision for the carriage of perishable and partly perishable produce by means of cold storage facilities;

(f) Carry emigrants from Great Britain or the continent of Europe at rates to be fixed by the government and carry all Canadian mails free if and when the parties hereto agree upon the establishment of a passenger service or other steamers suitable for the carriage of emigrants in conjunction with and under the control of the shipping company.

2. And His Majesty for himself, his heirs and successors hereby covenants and agrees with the contractor, his administrators and assigns that the contractor well and faithfully performing all and every the covenants, agreements and stipulations hereinbefore set forth and contained by the said contractor to be done and performed shall well and truly pay or cause to be paid to the contractor, his heirs, administrators and assigns during the continuance of this contract an annual subsidy of two hundred and seventy-five thousand pounds (£275,000) from and out of the consolidated fund or other proper moneys of the Dominion of Canada, the same to be paid and payable to the contractor at the city of London, England, in equal monthly instalments payable monthly at the end of each and every month (unless otherwise agreed upon between the contracting parties) in each and every year during the continuance of this agreement, the first monthly instalment to become due and payable one month after the commencement of the service hereinbefore referred to (which shall not be later than June 15, 1925) and instalments monthly thereafter unless the parties hereto mutually agree upon other terms of payment.

3. And it is mutually covenanted and agreed between the parties hereto that the subsidy payable to the contractor in the preceding paragraph is based on the operation and maintenance of a service of ten ships and the subsidy aforementioned shall be increased or reduced as the case may be in proportion to the number of ships operated and maintained by the contractor in the service aforesaid from time to time and such increase or reduction of subsidy shall be added to or deducted from the monthly payments hereinbefore provided for in paragraph two.

4. And it is mutually covenanted and agreed between the parties hereto that the shipping services to be established by the contractor herein will co-operate and work loyally with the Canadian National Railway system and the fleet of ships operated by that system and under its control and known as the Canadian Government Merchant Marine.

5. And it is mutually covenanted and agreed between the parties hereto that should any of the ships in the service aforesaid be lost or disabled the contractor shall have the privilege of substituting a modern ship of approximately the same tonnage for the ship lost or disabled until the same is replaced or repaired and put in service again as the case may be.

6. And it is mutually covenanted and agreed between the parties hereto that on receiving at least three months' notice from the minister herein the contractor shall arrange to place additional ships up to the number of ten in this service on an increase in subsidy in proportion to the number of ships actually placed in service; the subsidy referred to in paragraph two being based on a service of ten ships; and the additional service to be put in effect within twelve months from the date of the receipt by the contractor of the notice aforesaid.

7. The contractor shall not convey or permit to be conveyed in any steamer while employed in this service any nitro-glycerine or any other articles which in the opinion of the minister shall be considered dangerous.

8. If at any time after the expiration of the eighteen months mentioned in paragraph 1 (c) the contractor should fail to carry on the said service with the full complement of ten ships, the minister may by notice in writing call upon him to supply the deficiency within a delay of three months, and in default of the contractor's doing so within such delay, the minister may terminate the contract by notice in writing.

9. And the contractor covenants and agrees that the vessels in the said service shall prosecute all voyages made by them with all possible speed and despatch.

10. The minister shall have the privilege at his option of entering into contracts for like purposes with any other contractor or contractors.

11. And it is mutually covenanted and agreed between the parties hereto that this contract is to continue in force for the full period of ten years from the time when the first service under the terms hereof is commenced; and the same may be extended for a further period of time and under such terms and conditions as the parties hereto mutually agree upon.

12. Except to the company to be formed by the contractor as hereinbefore provided for to whom this contract may be assigned no other assignment thereof either by the contractor or by the said company is to be or shall be made nor any right nor interest therein without the consent in writing of the minister having been first obtained.

IN WITNESS WHEREOF the Honourable Thomas A. Low, "the minister" hath hereunto set and affixed his hand and seal as such and "the contractor" has hereunto set his hand and seal the day and year first above written.

C. D. MACAULAY. THOS. A. LOW, [SEAL]
Minister of Trade and Commerce.

WILLIAM PETERSEN. [SEAL]

Province of Ontario, County of Carleton, To Wit } I, Charles Daniel Macaulay of the city of Dawson, in the Yukon Territory,

Supreme Court Judge, make oath and say:—

1. That I was personally present and did see the within instrument and duplicate original thereof duly signed, sealed and delivered by the Honourable Thomas A. Low, His Majesty's Minister of Trade and Commerce for the Dominion of Canada, and Sir William Petersen, Knight Commander of the British Empire, the parties hereto.

2. That the said instrument and duplicate original were executed by the said parties at the city of Ottawa in the county of Carleton.

3. That I know the said parties.

4. That I am a subscribing witness to said instrument and duplicate original.

SWORN before me at the city of Ottawa in the county of Carleton this 11th day of December A.D. 1924, } C. D. MACAULAY.

H. H. DONALD,
Notary Public.

Schedule "A"

Particulars (without guarantee) of two corrugated open shelter deck motor vessels with topgallant fo'castle and crusier stern building by Harland & Wolff Ltd. at Henderson's Glasgow.

Class	100 A.L. and B.V.	
Length	overall 416′	B.P. 400′
Breadth moulded	55′ 6″	corrugation 59′
Depth	28′ 4″	S.D. 37′ 10″
Deadweight (including bunkers)	9,000 tons on 25′	
Cubic capacity (abt.)	580,000	grain
Tonnage (approximately)	5,000 gross	3,500 nett
Capacity of oil bunkers	750/800 tons	
Height of 'tween deck	9′ 6″	
Bulkheads	longitudinal and 9 Transverse steel bulkheads	
Holds	5	
Hatches	3	31′ 6″ x 20′
	1	29′ x 20′
	1	27′ x 20′
	1	13′ 4″ x 10′ 7½″
Engines	B. & W.	single 4 cycle Diesel
Horse-power	Brake 1850	Ind. 2250
Dia. of cylinders	(six)	740 m.
Length of strokes	1500 m.	
Speed about 11 knots on about 7½ tons oil		
Winches 8 3-ton, 3 5-ton, electric		
Electric auxiliaries		
One Ord. vert. Donkey boiler		
100 sq. feet heating surface		
100 lbs. pressure		

And subject to such modifications and alterations as may be agreed upon by the parties hereto.

He said: Mr. Speaker, I desire to take this first opportunity of explaining to the House the full details of this contract as I believe the country as well as the House is anxiously awaiting such explanation. I wish to say at the outset that it is the intention of the government, in full realization of the importance of this measure, to refer it to a select committee. When the bill itself comes up for its second reading, parliament will be asked to refer it to such a special committee, so that anybody who has any suggestions to offer or any questions to ask may have an opportunity of being heard before the contract is ratified.

This matter of ocean freight rates and ocean combines is not a new one. It has been brought to the attention of governments and of parliament many times during the past twenty-five years. Numerous commissions have been appointed and each commission in turn has reported that a combine did exist.

I shall endeavour this afternoon to establish to the satisfaction of the House that a combine does exist; that Canadian ports have been discriminated against in favour of United States ports, and that the preference which the dominions have given to the Mother Country has been nullified in many instances, by the action of this combine. I intend to show that the British manufacturer and the British merchant have been discriminated against in favour of German and other foreign merchants. I intend to show that, perhaps, there is nothing retarding immigration to this country more to-day than the action of this gigantic combine.

The item of greatest interest to us in the subject is the actual "ocean rates" and I intend, this afternoon, to try to establish—and I think I shall succeed in doing so—that these rates are exorbitant, and unjustified. In my endeavour to prove that, I propose to call as my star witness the hon. member for West York (Sir Henry Drayton). I intend to establish by his sworn testimony that he was of the opinion that a combine existed, and that, when he gave evidence before the Dominions Royal Commission, he was of the opinion that the rates at that time were unnecessarily high. How much more does that apply to-day?

There seems to be no doubt that a combine exists. It embraces almost all the leading shipping companies of the north Atlantic—the American line, Anchor-Donaldson, Baltic-America, Canadian Pacific Railway, Companie Generale, Trans-Atlantic, Cosulich, Cunard, Hamburg-America, United-America, United States, Intercontinental Transports, Holland-America, North German Lloyd, Norwegian-American Company, Cairns-Noble Company, Scandinavian-American, Swedish-American, Red Star, Royal Mail Steam Packet Company, White Star, White Star Dominion, Furness-Withy Company, Maclean-Kennedy Company

Mr. MACLEAN (York): Under what different flags are they flying? Is the minister prepared to say that?

Mr. LOW: I am not prepared to say, but I think the majority are plying under the British flag. The rates of all these companies sailing out of Canadian ports are generally fixed at the city of New York. One can realize how little interest Americans or those who are associated with them at the head office in the city of New York, will display for Canada or Canadian ports. The activities of this combine have been the subject of investigation upon more than one occasion. In 1909, the British government became alarmed and appointed a commission known as the Royal Commission on Shipping Rings. I am sorry to say that I have not been able to secure a copy of their full report, but I have evidence that they reported that a combine did exist. Then there was the commission appointed by the Canadian government of the day, the Drayton commission in 1913. Of the finding of my hon. friend from West York (Sir Henry Drayton) there can be no question. At that time the hon. member was plain Mr. Drayton, chairman of the Board of Railway Commissioners, whose one concern was to look after the interests of the people of Canada. I find in his report the following:

> The position when action was taken by your honourable body was that steamship conferences were effective so that no competition was afforded beyond the sporadic competition that the tramp freight boat affords. Competition of this character affords no protection whatever to shippers requiring regular shipments in less than cargo lots. In my view, such a condition practically eliminates all competition, and requires some governmental control.

And again:

> This affirmation by a member of the conference of a condition under which the business of any given importer could, at any time, perhaps by the carrier's whim, lack of information, or desire for an excessive return, be at least temporarily extinguished, would appear of itself, to call for the fullest investigation.....
>
> Might I be permitted to say that, if the Dominions Royal Commission could take this matter up and make an interim report on it, if necessary, I do not think the inquiry could be in better hands.

On the recommendation of my hon. friend the matter was referred to the Dominions Royal Commission. That commission was not appointed solely to inquire into the question of ocean freight rates; its creation was the result of a resolution adopted at the Imperial conference held in 1911. Six members were appointed to represent the British government, while each dominion was represented by one member. I might cite the purpose of the commission:

> The Dominions Royal Commission came into being in consequence of a resolution passed by the Imperial Conference of 1911. The members were first appointed on the 15th April, 1912. Six represented the United Kingdom and one each Canada, Australia, New Zealand, the Union of South Africa and Newfoundland.

The representative of Canada on that commission was a gentleman whose opinion I am sure hon. members opposite will have no hesitation in accepting as authoritative—I mean the Right Hon. Sir George E. Foster. That gentleman concurred in the findings of the commission, who state:

> In the pre-war period, as we pointed out in our second interim report, British steamship companies had made a practice of charging a lower rate to New Zealand from Hamburg and other German ports than from London on the same classes of goods. We may repeat the observations which we made then on this state of affairs:—"The net effect of this practice.....has been, and must be to facilitate the competition of German manufacturers with British in New Zealand, unduly to handicap British manufacturers, and to destroy, at least to the extent of the difference in freights, the advantage intended by New Zealand to be given, by means of preference, to the British manufacturer." No satisfactory explanation of the matter was given to us at the time by the companies concerned. No assurance, to the best of our knowledge, has been given either to Your Majesty's government or to the New Zealand government that similar practices will not continue after the war. The case is much the same with regard to the differential freight rates charged on asbestos from Canada to foreign and British ports, to which attention was drawn in our Fifth Interim Report.

Now listen to another clause which was concurred in by Sir George E. Foster:

> For ourselves we regard it as intolerable that British shipowners should be in a position to initiate or countenance practices of a kind so directly inimical to British trade.

And again in their finding the commissioners state:

> We are satisfied that the operations of the steamship companies should not remain longer without some measure of government control. This view is based on two grounds:—
>
> (a) That in normal times the combination of shipowners is strong enough to limit the freedom of shippers, whose varied and detached interests make it difficult for them to combine in any effective opposition.
>
> (b) That in some cases shipowners have used this power to grant more favourable freight rates on foreign than on British goods.

That was the finding of the Dominions Royal Commission appointed by the British government, on which there was a representative from Canada in the person of the Right Hon. Sir George E. Foster.

But perhaps the most thorough and exhaustive report that has been made on the subject was that of the committee appointed by this House two years ago under the able chairmanship of the hon. member for Brome (Mr. McMaster) when evidence was brought out which convinced this government that it was time for action.

Now, much has been said of the Preston report; but after all is there anything new in the Preston report? There is nothing in that report that was not contained in the report of the agricultural committee appointed by this House. I have noticed many press comments upon the Preston report, but in each case almost entirely—

Mr. MEIGHEN: Will the minister tell us how much it cost?

Mr. LOW: If my right hon. friend wishes to draw a red herring across the trail I am sure a simple question like that will not succeed.

Mr. McMASTER: We hope value was given.

Mr. LOW: The question as to the cost of the Preston report will prove I am sure of value to this House and to the people of the country. As I was saying, a section of the press of Canada in an endeavour to discredit that report has attacked its author, but I am glad to say that only a small wing of the press has assumed that attitude. But I am not so much concerned about the author of any of these reports as I am concerned about their contents. It has been charged that there has been discrimination against Canadian ports. I am sure that no hon. member in this House who was a member of the former administration will attempt to deny that assertion. It was brought to the attention of the government on more than one occasion during that time, and it was brought again to the attention of this government. In the fall of 1923 I prepared a memorandum for the Prime Minister (Mr. Mackenzie King) and the Minister of Railways (Mr. Graham), who were then going over to attend the Imperial conference, and I asked them to bring before the Economic conference the question of discrimination against the flour exports of this country. They did so, with the result that the matter was adjusted in a few weeks. But that discrimination had continued for many years. The American miller was able to mill his wheat and ship it to Liverpool and London at from eight to ten cents a barrel less than the Canadian miller; and worse than that, he was able to buy Canadian wheat, mill it in transit and ship it at this advantage over his Canadian competitor. The government succeeded in having that discrimination adjusted.

Now as to immigration. To-day perhaps nothing is retarding immigration more than the action of this combine. In 1900 an immigrant could be brought to this country for $17.50; to-day it costs $85. In 1900 a man, his wife and five children could be landed in Canada for $122.50; to-day it costs $600. Contrast this with the fact that this combine will carry European emigrants to South America, more than double the distance, at lower rates than they are quoting to Canadian ports. Let me read a letter from one of our immigration officers to show how adversely these high rates are affecting immigration to this country. Evidently he was not thinking of this debate, for he writes:

> The prospect of securing farm labour from Great Britain did not look encouraging at the end of the month. The high third class fares have turned many to ask for assistance, and our officers report large numbers of applications for assisted passages in whole or in part. As only a small number of these applications can be absorbed, it would appear that many very desirable farm workers will be unable to go to Canada by reason of the cost of passage. However, it is too early to give a final word in this regard.

Mr. BRISTOL: Will the minister give us the particulars on which he bases his comparison of ocean rates? In other words, do the rates to South American ports include railway transportation, or are they purely port to port rates?

Mr. LOW: Before this debate is concluded I shall be very glad to furnish my hon. friend with all the details he requires. Now I come to the exorbitant freight rates charged by the North Atlantic Steamship Conference, and I think, as I said before, that the evidence of my hon. friend from West York (Sir Henry Drayton) is conclusive on this point. He was then—1916—chief commissioner of the Board of Railway Commissioners, and when giving evidence before the Dominions Royal Commission in October, 1916 he was asked whether in his opinion ocean freight rates were too high. He replied:

> My own conclusion, from the little investigation which I was able to make, was that the companies were perfectly right in saying that the cost has largely increased. But while all that was true, the increased carrying facilities of the boats were so great that when you came to prorate the increase over your carrying unit—the marine ton—the cost per carrying unit had gone down, although the cost per vessel for operation per trip had gone up very much. Or course, the cost per carrying unit is the decisive matter on which your rate should be based.

That was the opinion of my hon. friend from West York, and if that were the condition at the time at which he was speaking I am sure it is still worse to-day. As further evidence that these rates are altogether out of proportion to the increased cost of other things, I desire, with the consent of the House, to place on Hansard a letter from a manufacturer.

Mr. CLARK: Before the minister proceeds further, would he give details of the evidence that he has been quoting from?

Mr. LOW: Part one, page 334, paragraph 4,675, of the Minutes of Evidence taken in 1916 by the Royal Commission on the Natural Resources, Trade, and Legislation of Certain Portions of His Majesty's Dominions. The letter to which I referred was written by a manufacturer who charged that the rate on his article of export had increased from $1.50 per ton of 40 cubic feet in 1911, to $12 at the present time. In 1911 the writer was exporting a carload of instruments every week; to-day he is not shipping one carload in a year as the result of these exorbitant rates. But hon. members will get a better idea of this manufacturer's complaint when they read his letter in Hansard to-morrow. The letter reads:

5 p.m.

Now, I am enclosing you documents that will prove the statements which I am to make.

At the present time, as you will see by the ocean bill of lading I am sending you dated October 21, 1924, we are paying 30 cents per cubic foot or $12 per ton of 40 cubic feet, on organs or pianos going to Liverpool. In 1910 we paid on similar instruments six shillings and ninepence per ton of 40 cubic feet, which is practically $1.50 per ton of 40 cubic feet, as you will also see by the enclosed ocean bill of lading.

I am also sending you bills of lading of the years 1911, 1912 and 1913. In 1911 we paid six shillings and ninepence per 40 cubic feet. In 1912 and 1913 we paid twelve shillings and sixpence and 5 per cent per 40 cubic feet, which is practically $3 per 40 cubic feet, as you will see by the bills of lading enclosed. To-day, as already stated, we are paying $12, which is 400 per cent of an increase over 1913 and 700 per cent of an increase compared with what we were paying in the year 1910, and for many years before.

As a glaring example of what this combine is demanding of us, in the way of ocean freight rates, I might state that we are shipping musical instruments to-day to Cape Town, South Africa, at $9.50 per 40 cubic feet, and on which, as already stated, we have to pay $12 to Liverpool. The distance in one case is three thousand miles and in the other case where we are paying less freight, six thousand miles.

It will be quite safe in saying that ten or fifteen years prior to the year 1910 referred to above, we were paying only six shillings and ninepence per 40 cubic feet on these instruments.

You are at liberty to make any use of the enclosed documents you wish, only return them to us when you are through with them.

I have representatives of the steamship companies calling on me every week, who are complaining about the small amount of freight that is offered, and I never miss an opportunity of telling them that it is all their own fault, as the prohibitive freight rates make it impossible for us or anyone else to do the business we were doing before the war.

In 1910 and 1911 and for many preceding years, we were shipping a carload of instruments to Liverpool every week. The car would contain eighteen instruments. To-day we nor anyone else ship a carload in a year, simply because the freight rates, added to the price that we must get for our instruments, brings them up to the price of what they can purchase a cheap piano for in England, of German or English make. We might say that we have cut our prices for export, to the bone, in fact the cost, as we regard this export trade merely a means to reduce our overhead.

Our experience is the experience of all other manufacturers of musical instruments in Canada, and also the experience of all those who ship bulky goods where the rate is calculated on a ton of 40 cubic feet basis.

If I can be of any further service to you, do not hesitate to ask me, as I feel that the steamship companies, including the Canadian Merchant Marine, are only preventing trade coming to them by demanding such exorbitant freight rates, and I sometimes think that the Canadian Merchant Marine are the worst sinners of the lot.

For instance, we had a number of instruments going to the West Indies some weeks ago, and have also a shipment of five going this week, and we found that the Canadian Merchant Marine rates were much higher than what we were quoted from Pickford & Black of Halifax, so instead of sending the instruments to Montreal, we had to send them to Halifax and the amount saved on the ocean freight more than paid the difference on the inland freight between Montreal and Halifax.

I have also a letter from the Cockshutt Plow Company Ltd., of Brantford, which I am sure will be of interest to my hon. friends opposite, and which reads:

Answering your letter of November 27 with reference to freight rates on goods for United Kingdom ports, rates on agricultural implements have almost quadrupled in the period you mention. Prior to the war there was practically a uniform rate of ten shillings and sixpence per ton on implements. This might fluctuate occasionally, due to temporary conditions, but we used to figure approximately $2.50 per ton. To-day there is apparently a tight conference ruling on freight rates to these ports, and the best rate we have been able to obtain for some little time has been $10 a ton. It puts us in an unfavourable position as compared with doing business with other markets. When one considers that goods can be laid down in South Africa for $7.50 per ton and in Buenos Aires or Montevideo for $7 per ton; the hauls in both cases being more than double that to the United Kingdom ports.

We can assure you that any assistance the Department of Trade and Commerce can render exporters in connection with these rates will not only be appreciated but will be beneficial to the various industries interested.

Yours very truly,
COCKSHUTT PLOW COMPANY LTD.,
Geo. G. Scott.
Export Department.

The Manitoba Free Press, commenting upon ocean rates in an editorial last June, stated:

The railways have increased their rates 40½ per cent, the steamship companies 166 per cent. No one so far has had the temerity to attempt to approve that the cost of operating ships has increased in that proportion. The only means whereby the North Atlantic Conference or combine can be brought to time is by the Canadian government securing ten or twelve tramp ships, having them properly fitted and putting them into the cattle trade with a rate of $10 per head to any British port.

Mr. GARLAND (Bow River): The minister has quoted a despatch from the papers giving certain rates. Were those rates average

rates for all commodities, or rates on some specific commodities?

Mr. LOW: I think the reference was to cattle rates. Now, take the opinion of the Canadian Manufacturers' Association, and I am sure that my hon. friends opposite will not readily dispute anything that that association may say. As I read the Montreal Gazette and the criticisms of our plan to reduce rates, I have been wondering just whose opinion it represents. Usually it voices the opinion of the manufacturers, but on this occasion it is taking issue with the manufacturers, because the manufacturers presented a memorandum to the Imperial Shipping Company about a year ago, as follows:

> Exporters and importers, however, view with considerable alarm the general tendency which has been expressed by material increases in ocean rates this spring in a number of the important trade routes. In this connection we would particularly point out the North Atlantic United Kingdom Conference eastbound placed into effect on March 1st a general increase in ocean rates, which was stated to average twenty-five per cent, although some important commodities were increased to a much greater extent. Protests were entered with the steamship companies against these proposals, but while the matter is still under investigation no adjustments have as yet been made. We feel that the level of rates now in effect is unreasonable when compared with the basis in effect in 1914, or just prior to the war. An examination of a number of rates on important commodities indicates that the present level of ocean rates from Canada to the United Kingdom is from 166 to 433 per cent higher, and we believe that this level is in excess of what is warranted by general conditions.

Mr. BRISTOL: Would the minister allow me another question? I see in this document, which apparently is issued by the Atlantic Conference, and has been mailed to us, a statement as follows:

> In the list of eastbound rates promulgated by the North Atlantic Conference no rate or agreement is made in respect of grain, flour or cattle, these rates being absolutely open.

Is that statement true or not?

Mr. LOW: I do not know whether it is true or not, but I am prepared to say this: If there is no rate fixed by the North Atlantic Conference on grain, there is no credit or thanks due the North Atlantic Conference, because the tramp ships coming into Canadian ports regulate the price of carrying grain across the Atlantic.

Mr. BRISTOL: I am asking for facts, if the rates include cattle.

Mr. HANSON: Is it not a fact that the regular liners out of Montreal are carrying grain cheaper than the tramp steamers out of Montreal?

[Mr. E. J. Garland.]

Mr. SPEAKER: I think it would be more in conformity with the rules if hon. gentlemen would leave the minister free to explain the main features of the resolution. Then, when we are in committee, questions can be put.

Mr. LOW: Mr. Speaker, I shall now endeavour to establish that the rates are exorbitant. Perhaps one of the most important products of the farm is bacon and other meats. In 1911 the ordinary storage cost was 16.88 cents per one hundred pounds; to-day it is 50 cents per one hundred pounds, an increase of about 200 per cent. In cold air storage, in 1911 it cost 22.24 cents per one hundred pounds for bacon and meats; to-day it costs 85 cents per one hundred pounds, an increase of about 300 per cent.

It costs $7.50 to carry a ton of newsprint to Cape Town, South Africa, a distance of 7,108 miles; it costs $10.08 to carry the same ton of newsprint to London, a distance of 3,241 miles, and $8.00 to Buenos Ayres, a distance of 6,421 miles. In 1914 the rate on newsprint to the United Kingdom was $3.04 per one hundred pounds; to-day it costs $10.08 per one hundred pounds, an increase of about 231 per cent.

Now I shall quote the rates and increases in another line outside of the conference which is being subsidized by this country and carrying on a service to South Africa. In 1914 it cost $7.30 to carry a ton of newsprint to Cape Town; to-day notwithstanding the increases, it costs $7.50 per ton, or almost the same, because, fortunately for the people of Canada and the newsprint men, the Elder-Dempster Line is not in the combine.

As I said at the outset, this is not a new question. The matter has been brought to the attention of parliament upon more than one occasion, and in the year 1920 there was a rejection by the Acting Prime Minister, Sir George E. Foster, as reported in Hansard of May 5, page 2013, of a resolution moved by Mr. Armstrong asking that the recommendation of the Dominions Royal Commission be given effect. The Acting Prime Minister stated that he was not prepared to accept the motion and advised the hon. member to drop it, which was done. Again in the following session, the then Minister of Trade and Commerce, Sir George E. Foster, answering a question in the House on this matter as reported in Hansard of May 18, 1921, page 3530, as to whether the government intended to give effect to the report of the Dominions Royal Commission, stated that the government were awaiting the inquiry of the Im-

perial Shipping committee. The minister further answered:

> After this investigation is finished and the reports made, what action, if any, is to be taken by the government will have to be determined after the reception and consideration of these reports by the committee.

So, Mr. Speaker, as I said before, this is not a new question. Governments and parliaments have been appealed to before on this same question.

When the decision of this government was announced in the press, I read two or three articles in which the question was asked, why did not the government approach the ship owners or the Imperial Shipping committee? And it was charged that we had approached the matter in the wrong way. I also notice that all the shipping companies are very emphatic in their denial that the commissioner ever approached them with reference to freight rates. Well, I do not know about the commissioner, or whether he approached them or not; but they will not have the hardihood to say that I did not approach them. A year ago I asked the shipping men, the representatives of the different shipping companies, to meet me in Montreal and, after several meetings in which I appealed to those gentlemen to make a slight reduction on the carrying charges on cattle across the Atlantic, I received no encouragement whatever. I offered, if they would reduce the rate, to give an understanding that I would see how far the government was prepared to go in supplementing such reduction. They met me more than once, and about all I received from them was a pleasant smile, I could make no headway; and now they wonder why we did not approach them before we decided to deal with Sir William Petersen and enter into a contract with him. A few days ago I received a cablegram from certain of the vessel owners of England offering to refer the whole matter to the Imperial Shipping committee for investigation. Well, the reply to that is that the matter is now before parliament, and that if these shipping companies have any representations to make I am sure the committee to be appointed by this House to deal with the subject will be glad to receive their representations. But we have had a little experience with the Imperial Shipping committee. I noticed by the press the other day the claim that the matter of discrimination in the rates on flour had been remedied by their visit to Canada. I am glad to be able to say that the matter was adjusted by the efforts of the Prime Minister and the Minister of Railways and Canals, when they were attending the Economic conference in England. The people of this country made many representations to the Imperial Shipping committee when they were here about twelve months ago, and I have failed to observe that any great relief has been given to Canadian shippers up to the present time. Therefore if this matter were referred to the Imperial Shipping committee I should like to feel assured—although I feel quite satisfied that this government is going to be in power for another twenty years—that there would be some hope of getting a remedy for the existing grievances before we go out of office.

That brings me to the contract upon which I desire to say a few words. The government looks upon this as a cast-iron contract. It was drawn by one of the best legal minds in Canada—perhaps, the foremost in this country. So that if there is anything wrong with the drawing of the contract it is not through any lack of effort on the part of the government to secure the best counsel possible. The most important provision in that contract is—

Mr. BOYS: Who is the cast-iron contract with?

Mr. LOW: I hope my hon. friend has read the contract embodied in the resolution?

Mr. BOYS: I have.

Mr. LOW: Then I am sure it discloses the information for which he has asked.

Mr. BOYS: Do the government regard the covenant of Sir William Petersen as in anyway vital to the contract?

Mr. LOW: We do, and I may say that the contract contains a clause providing that not one dollar is to be paid over to Sir William Petersen until the services contracted for have been rendered by that gentleman.

Mr. BOYS: Does the minister object to another question?

Mr. LOW: Well, I would rather my hon. friend would wait.

Mr. BOYS: Certainly. I do not wish to be discourteous, and if my hon. friend objects I will not ask the question at this stage. But I understood the minister to say that he regarded the covenant of Sir William Petersen as vital. If that be so cannot Sir William Petersen, under clause 1 of the contract, escape his personal covenant entirely by substituting for this contract one with a proposed company, and when the contract of the proposed company is completed will it not supersede the contract in question and in that event Sir William Petersen's convenant will no longer be in existence?

Mr. LOW: I might just say to my hon. friend that this is a matter for discussion at a later date. Now I want to make a few references to Sir William Petersen who is not unknown to the Canadian people, nor to the North Atlantic Conference.

Mr. BOYS: That is why we want his covenant.

Mr. LOW: He has successfully opposed that conference upon more than one occasion during the past quarter of a century. Sir William Petersen first became known to the people of Canada when he came to this country in 1893 with a fleet of boats to engage in the carrying of coal from Cape Breton to Montreal. About that time the collieries of Cape Breton amalgamated and the rate per ton for the carriage of coal was approximately $1.25 to $1.50. Sir William Petersen succeeded in cutting that rate practically in two, and to-day it remains at about the same. Again he was one of the first gentlemen—if not the first—to introduce the carrying of grain from the head of the lakes to continental ports. In 1897 he entered into a contract with the Laurier administration, a contract about which much has been said in the press. The details of the arrangement are familiar to all hon. members. What happened in 1897 was that the German conference and the North Atlantic lines fought the Petersen scheme with such tenacity that the government granted an extension of one year. The following year the Spanish-American war broke out. As all hon. members know that war as all wars played havoc with shipping companies, and as a result the whole scheme was abandoned. Perhaps over in England they have a higher opinion of Sir William Petersen than some hon. gentlemen opposite. His position during war time alone should substantiate our confidence in him. In 1916, with the approval of the British government and through the President of the Board of Trade, he was elected chairman of the British committee of the Bureau Veritas, the largest shipping registry in the world, exclusive of Lloyd's, with headquarters at Antwerp. This committee superintended the construction of standard vessels for the British government during the war, the testing and inspection of war material and facilitated munitions. Sir William was also given authority to dispose of the German fleet interned in Portugal and Brazil. To-day, seven years after the war, Sir William is still chairman of the British committee of the Bureau Veritas.

That is his record in England, and I am sure that any contract that this government has entered into with Sir William Petersen is sufficiently safeguarded to protect the people of this country. We hear much about the Petersen fleet of ten ships. It is referred to by some hon. members as a mere flea bite, but let us make a comparison with some of the best known lines in the north Atlantic trade. Take the White Star line. I have never heard the White Star line described as a flea bite in Canadian trade, nor of no account, yet here are the details of the White Star Canadian line:

Passenger and freight	Built in	Gross tonnage
Regina	1916	16,500
Doric	1923	16,484
Megantic	1909	14,878
Canada	1896	9,472
Freight and Cattle		
Oxonian	1898	6,383
Turcoman	1892	5,829
Colonian	1892	6,583
Cornishman	1891	5,749
Welshman	1891	5,730
Caledonian	1900	4,998

It will be noted that the greater number of freight and cattle boats are from 30 to 35 years old. They have earned their depreciation, and they have paid for themselves twice over. They owe their companies nothing, and in all probability they are not in a position to compete with the very up-to-date boats that are built to-day.

The Anchor-Donaldson line is not looked upon with contempt, yet it has four passenger and six freight steamers only, on the Canadian service.

I have a list of the ships of the Anchor-Donaldson line, the Canadian Cunard service, the Furness Withy Company, the Head line, the Manchester line, the Cairn line and the Canadian Pacific ocean services.

The Anchor-Donaldson Line—

Passenger and Freight steamers	Built in	Gross tons
Saturnia	1910	8,611
Cassandra	1906	8,135
Athenia	1923	13,465
Letitia	1924	13,400
Freight steamer		
Cabotia	1918	5,160
Cattle and freight steamers		
Concordia	1917	5,388
Kastalia	1919	4,663
Parthenia	1917	4,753
Gracia	1921	5,642
Moveria	1924	5,200

The Cunard Canadian Services have not been hitherto regarded as insignificant, yet they have but ten boats: five passenger and freight; five freight steamers on the Canadian service, as follows:

Passenger and Freight steamers	Built in	Gross tons
Asconia	1924	13,900
Antonia	1921	13,867
Ausonia	1921	13,912
Auronia	1924	13,900
Alaunia	1924	13,900

Freight steamers		
Vasconia	1918	5,680
Vellavia	1918	5,272
Verentia	1918	5,185
Virgilia	1918	5,697
Verbania	1918	5,021
Vardulia	1917	5,691

The Furness Withy Co. have only three freight vessels on the Canadian Service, namely:

Canada to London and Hull (fortnightly)
(cannot carry cattle)

	Built in	Gross tonnage
Cornish Point	1914	4,259
Comino	1918	4,618
Ariano	1918	5,155

The Head line plying to Irish ports from Canada has but six freight vessels with an average tonnage of 5,000.

Canada to Irish Ports—about fortnightly
(do not carry cattle)

	Built in	Gross tonnage
Carigan Head	1901	4,201
Melmore Head	1918	5,319
Fanad Head	1917	5,200
Lord Londonderry	1902	5,796
Lord Downshire	1900	5,223
Lord Antrim	1902	4,665

The Manchester line is well known and influential in the Canadian Atlantic cattle and freight trade. It too numbers but seven vessels of approximately 5,600 average tonnage.

(Canada to Manchester—Weekly)
(can carry cattle)

	Built in	Gross tonnage
Manchester Regiment	1922	7930
Manchester Brigade	1918	6021
Manchester Hero	1916	5738
Manchester Division	1918	6027
Manchester Corporation	1899	5397
Manchester Importer	1899	4028
Manchester Producer	1916	6576

The Cairn line is not an inconsiderable one in Canadian Atlantic trade, but its total fleet so employed numbers but seven freight steamers of an average tonnage of roughly 5,000 tons.

Freight Steamers

	Built in	Gross tons
Cairntorr	1922	5,387
Cairnmona	1918	4,666
Cairnross	1921	5,494
Cairnvalona	1918	4,929
Cairngowan	1919	5,295
Cairndhu	1919	5,250
Cairnavon	1920	5,245

Canadian Pacific Steamships Limited—Atlantic Service

Passenger and Freight Steamers:	Built in	Gross tons
Empress of Scotland	1905	25,128
Empress of France	1913	18,357
Montlaurier	1908	17,282
Montrose	1922	16,402
Montclare	1922	16,314
Montcalm	1921	16,418
Montroyal	1908	15,646
Montreal	1906	9,749
Melita	1918	14,000
Minnedosa	1918	14,000
Metagama	1915	12,420
Marburn	1900	10,743
Marglen	1898	10,417
Marloch	1904	10,687
Crampian	1907	10,955
Pretorian	1901	6,948
Freight Steamers:		
Batsford	1914	4,782
Bawtry	1917	5,692
Belton	1899	6,173
Bolingbroke	1917	6,608
Borden	1906	4,852
Bosworth	1919	6,661
Bothwell	1919	6,723
Brandon	1917	6,655
Broecon	1918	6,650
Bruton	1899	7,397
Freight Steamers—West Indies service:		
Balfour	1918	5,038
Berwyn	1912	4,874
Passenger and Freight Steamers—Pacific service:		
Empress of Asia	1913	16,909
Empress of Russia	1913	16,810
Empress of Australia	1921	21,881
Empress of Canada	1922	21,517

As a matter of fact, taking them all in all, the Petersen line will compare very favourably with any fleet working out of the port of Montreal or the Atlantic ports outside of the Canadian Pacific ocean services. We often hear the question asked, why does the Merchant Marine not pay? Well, I am not a shipping man myself. Perhaps I could not do better than quote from the authority of Mr. Fetterolf of the International Mercantile Marine lines, speaking in the city of Boston a few days ago, and reported in a New York paper of February of this year. The report reads as follows:

A. C. Fetterolf, freight traffic manager of International Mercantile Marine lines delivered an address on Tuesday night at the annual dinner of the Traffic Club of New England at Boston. Mr. Fetterolf is an authority on ocean transportation and has had many years of experience in trans-Atlantic shipping. His remarks at the dinner in Boston defined clearly the position of not only the I.M.M. lines but of steamship companies operating out of practically all ports of the world.

Of the boats of the class of the Government Merchant Marine he makes the following derogatory statement:

"Another class, more or less temporary, is a product of the war and may be placed in a category by themselves on account of the disappointment that they have brought to their owners and shippers alike, namely, the war built standardized cargo ship. They were built of such materials that could be quickly assembled without regard to their suitability for commercial uses.

'These ships are at best a compromise, and, as they

were designed for no particular trade, they do not give the best results in any trade."

Sir HENRY DRAYTON: I think that speech refers entirely to the ships built by the American government in their standard plan. The hon. minister can correct me if I am wrong.

Mr. LOW: They certainly apply to the merchant marine.

Sir HENRY DRAYTON: The minister says so, the speaker does not.

Mr. LOW: They certainly refer to the merchant marine type. I might add myself, in addition to that, that the Canadian Government Merchant Marine probably cost three times the amount it would cost to build to-day. What has Mr. Fetterolf to say about the class of boats that are to be used by the Petersen company? Referring to the cargo liner steamers in which the Petersen boats fit, Mr. Fetterolf states:

> The next classification which occurs to me is the "cargo liner", probably the most useful and important ship in the commerce of the world. Some years ago these ships were small, they averaged 3,500 to 6,000 tons, but now range from 7,500 to 10,000 tons. If the best results are to be obtained with ships of this class, they must be specially designed for the trades they serve, with the object of obtaining the greatest efficiency and economy in handling and transporting cargo without damage or deterioration. These ships have a speed of from 10 to 13 knots with winches and other gear designed for quick loading and discharging in order to keep their regular sailing dates.

That is the class of boats that Sir William Petersen proposes to establish for Canadian trade. The government endeavoured to ascertain, as far as possible, whether ocean rates could be reduced by using modern, up-to-date boats, with a company with no obsolete boats to carry in their capital expenditure or overhead, and I asked a shipping man to submit to me a statement showing the probable returns from an average cargo between Montreal and Liverpool. I also asked Sir William Petersen to do this, and he submitted a statement showing what he would expect from an average cargo from Montreal to Liverpool. He also furnished us with a statement of the cost of operating one of those boats from Montreal to Liverpool and back again in ballast, and it showed a net profit on the round trip, coming back in ballast, of £3,000. I submitted that statement to Mr. Teakle, the expert of the Canadian Government Merchant Marine, and he sent me a letter which I shall ask permission to place upon Hansard, together with a copy of his statement showing the returns from an average cargo, and a statement of the cost of operating a boat to Liverpool and back again. The letter and statements are as follows:

> Canadian Government Merchant Marine Limited
> Office of the General Manager,
> 230 St. James St.,
> Montreal, Nov. 21, 1924.
>
> Hon. T. A. Low,
> Minister of Trade and Commerce,
> Ottawa, Ont.
>
> Dear Mr. Low:
>
> Referring to conversations in Ottawa on Tuesday and Wednesday of this week. I am sending you herewith the information you asked me to gather.
>
> I have treated the question as carefully as it has been possible for me to do so without complete data in respect to the ships, as I think you are aware, Sir William Petersen has no plan of the proposed vessels with him, so that I had to work on the general details given to me by that gentleman.
>
> The most difficult part was in respect to the shelter deck space. Sir William could not tell me from memory just what cubic space would be contained therein so that I have had to guess at it, and without a plan of the ships am unable to measure off and see whether or not I am allowing too little or too much for cattle to be carried in that space.
>
> In regard to the statement covering cargo and earnings, I have taken what I consider a very good and yet average cargo, and have taken the rates on the basis of the average rate covering the last thirteen months.
>
> Insofar as disbursements are concerned, there is substantial agreement between Sir William and myself, he estimating £6,103.0.0 per round trip voyage and I, £6,134.0.0, but neither have included anything for managerial expenses.
>
> I just want to once more draw your attention to the items I questioned when in Ottawa, and which Sir William Petersen assured us are correct, namely, wages to be paid the crew, insurance on the vessels, and the manner in which redemption and depreciation is to be taken care of, and also the oil consumption. These are points I cannot check without going so closely into the proposition as might cause inquiries to be made, but I have no reason to think these figures are materially out of line.
>
> I am also enclosing herewith statement showing the going rates on various commodities for the last thirteen months with the average rate for same, also a statement of sailings from Montreal and Quebec to the United Kingdom since May 1.
>
> Taking Sir William Petersen's proposition of ten ships, I calculate that they would make fifty voyages from Montreal to the United Kingdom between May 1 and November 30.
>
> In any estimate of gross earnings, much must necessarily depend upon the cargo to be obtained and this in turn, depends on rates, business conditions, activity in solicitation, and various other factors.
>
> As to the proposed speed of the ships, consideration should be given as to whether somewhat faster ships might attract more lucrative business.
>
> I trust what I have given you will meet with your requirements and if I can be of further service, will you kindly call on me.
>
> Yours very truly,
>
> R. B. TEAKLE.

Approximate Result with a 9,000 Ton Deadweight Diesel Engine Steamer

Montreal to Liverpool and return in ballast

Total cubic space..... 580,000 feet for grain
Deduct shelter deck approx..... 170,000 feet for cattle

Available for cargo..... 410,000 feet grain space

	Weight	Measurement	Rate	Earnings
25 loads grain	5,350	250,000	3/-Per Qr.	17,250 00
bags flour	1,000	56,000	19½c	4,368 00
boxes provisions	300	18,000	47 c	3,158 40
boxes cheese	100	7,000	67 c	1,500 80
200 stds. deals	500	44,000	70/-Per Std.	3,220 00
canned goods	30	1,950	47 c	315 84
pulp board	50	3,500	53 c	593 60
lard	100	6,500	47 c	1,052 80
sundries	50	10,000	37 cM	3,700 00
420 head cattle	210	.....	20·00	8,400 00
	7,690	396,950		$43,559 44 at $4.60 to the £ £9,469.8.10
Add loss of space A/c general cargo	.....	16,000		
Cattle feed	80	.....		
Water-cattle and ship	100	.....		
Fuel oil	400	.....		
Grain fittings, stores, dunnage, etc	200	.....		
	8,470	412,950		

Explanation of Rates

Grain is on the basis of a quarter of 480 lbs.
Deals are on the basis of standards
Sundries are on the basis of per cubic foot
Cattle are on the basis of per head
All other rates on the basis of per 100 lbs.

Operating cost for round trip Montreal to Liverpool and return—in ballast

Wages 31 men		£12. 0.0
Insurance 65% P. A		13. 0.0
Provisions		4. 0.0
Deck and engine stores		3. 5.0
Lubricating oil		1.15.0
Superintendence		0.10.0
Maintenance		2. 0.0
Drydocking and painting		3.15.0
		£40. 5.0
Standing charges—Cost of ship	£135,000. 0.0	
Half Debentures at 5%	£67,500.0.0=£ 3,375. 0.0	
¼ Second Debentures at 7%	£33,750.0.0=£ 2,362.10.0	
Redemption and depreciation 25 years	£ 2,263.10.0	
	£ 8,001. 0.0	
	and 365 days	£21.18.5
		£62. 3.5
Liverpool to Montreal	14 days	
Montreal to Liverpool	14 days	
Loading at Montreal	8 days	
Discharging at Liverpool	8 days	
	44 days at £62.3.5	£2,735.10.4
Oil—28 days at 6¾ tons=189 tons at 97/6 per ton		£ 921. 7.6
Oil—16 days at 1 ton=16 tons at 97/6 per ton		£ 78. 0.0
Loading at Montreal		£1,200. 0.0
Discharging at Liverpool		£1,200. 0.0
		£6,134.17.10

I would also like to read a few extracts from a letter from Sir Henry Thornton, dated Montreal, November 21, 1924, as follows:

Dear Mr. Low:

I have had an opportunity of looking over Teakle's figures in connection with Sir William Petersen's proposition, and I note there is a substantial agreement with respect to operating costs which would seem to bear out the essential claim of Sir William, although neither has included anything for what may be called "managerial expenses". I should hardly think, however, this would be a very large item as our own shipping officers and freight solicitors on this side could canvass freight for the new proposition as well as the railway without additional expense.

The proposition seems to disclose the following fundamental features:

(1) From our investigation, it seems that Sir William's estimate of the cost of ocean carriage under his proposal is substantially correct:

(2) We have nothing to fear from competition or hostility on the part of others as this would in the last analysis be to the advantage of Canadian shippers.

(3) It looks as if there might be more in the Petersen type of ship construction than we have been led to believe.

(4) There is no doubt about Petersen's experience and knowledge of the shipping business:

(5) The proposals, if they can be brought into effect, would be of material advantage to our shipping public.

The above is the way it looks to me in a general fashion, and perhaps this little analysis may be of some assistance to you.

Yours sincerely,

H. W. THORNTON.

That was the endorsation of Sir Henry Thornton.

Sir HENRY DRAYTON: I do not want to disturb the minister, but at this point it would be very interesting to get the costs of the new boats if we could have that while this submission is going on.

Mr. LOW: That will be presented to the House and to the committee in due course.

Sir HENRY DRAYTON: I would assume the government knew it before they made the contract. They evidently did not.

Mr. LOW: In conclusion, I just wish to state that the government of my right hon. friend, the leader of the opposition (Mr. Meighen) was appealed to from time to time to do something in connection with ocean combines and ocean rates. Similar representations were made to this government.

Mr. MEIGHEN: Will the minister tell me who appealed to the government of which I was the head?

Mr. LOW: Of which my right hon. friend was a member. It is the opinion of the government that they have taken what offers as the best plan to break in on the combine in an endeavour to reduce rates, not alone to the Canadian farmer, but also to the Canadian manufacturer. If any hon. member has any better method to suggest, I am sure that the House will be very glad to have it offered for consideration. But we have given this matter a great deal of thought and we have reached the conclusion that this suggestion offers practically the only method by which the combine can be broken.

Mr. MEIGHEN: The minister referred to the government of which I was a member being appealed to in this matter. I should be glad if he would give the reference as to who made the appeal.

[Mr. Low.]

Mr. LOW: There is ample correspondence on the files, and there is the resolution which was introduced by one of the supporters of my right hon. friend. Was that not an appeal to do something?

Mr. MEIGHEN: Lake freights, was it not?

Mr. LOW: Not lake freights at all—ocean freights. I read the item and I will read it again if my right hon. friend so desires. The resolution was introduced by Mr. Armstrong, one of the representatives from Ontario, and as I stated, the Right Hon. Sir George E. Foster, who was leading the House at the time, asked the hon. member to drop his resolution. The resolution asked that effect be given to the findings of the Dominions Royal Commission. To-morrow, my right hon. friend will find it on Hansard.

All the dominions are aroused over the matter, and not alone in the dominions is it creating discussion, but in the British parliament at the present time questions are being asked and the matter is being debated. I am sure it must be apparent to every hon. member that it is time for some government in the Dominion to take some action.

At six o'clock the House took recess.

After Recess

The House resumed at eight o'clock.

Hon. H. H. STEVENS (Vancouver Centre): The subject matter of the resolution now before the House is one of great importance and it touches such a variety of subjects and interests that I shall not presume for one moment to attempt to cover the whole ground in the course of my remarks. I purpose rather dealing with the question in a more or less general way and when we get into committee, if we arrive at that stage, we can discuss the details much more fully and with perhaps greater effect.

Having reference to the observations made this afternoon by the Minister of Trade and Commerce (Mr. Low) in introducing the subject, I have just a few things to say. My hon. friend, at the very outset, said in effect that he would proceed to show that a combine did exist, that its rates were exorbitant, and so on. He then referred to a large number of commissions that had been appointed at one time or another, remarking quite truly that this was not a new question, that it had been discussed on many previous occasions, and that various bodies had investigated and reported upon it. I was surprised when he said that one of the most

important investigations that had been held was that of the royal commission appointed by Great Britain which reported in 1909, and the minister also said that he had found it impossible to secure a copy of the report of that commission, and he expressed regret at that fact. I was surprised to hear him make that statement, and I immediately sent a page to the Library and within five minutes received the report. I do not know, therefore, why my hon. friend should have experienced any difficulty in getting a copy of it.

Mr. LOW: It was probably out of the Library at the time.

Mr. STEVENS: Not at all. As a matter of fact, the minister mentioned previously that he had been dealing with this question since last June, and I doubt whether the report has been out of the Library at all. At any rate, it was there when I sent for it and I got it and looked it over. It is rather unfortunate, I think, that the minister had not secured a copy of this report, for there are some very interesting things in it. I notice for one thing that this commission was appointed first in 1906 and reported in 1909; and I notice further that Canada had a representative upon it for a time, among other distinguished gentlemen. That representative was Isaac Hendry Mathers, Deputy Receiver General of Nova Scotia, and it is recorded in the report I have under my hand that he resigned after about a year, as Canada's interests were not affected at all. I want to read to the minister a few excerpts from this report. I have not had the time to study this report as carefully as I have studied another one which I have by me, of equal or greater importance, and which also, I presume, the minister has failed to see. At this point let me observe that had the minister had his erstwhile agent, one Preston, take this report along with others and sit down in the Library of this parliament, there could have been prepared an infinitely better report for presentation to parliament than the one we have before us and to which I desire, shortly, to give my attention. However, in the present report to which I have alluded I find among the recommendations at the end, the following:

> It was suggested by some of our witnesses notably Mr. Tredwen, that all that was required to check abuses of the conference system was that the shippers and merchants in a given trade should form themselves into an association so that they might be able to present a united front to the conference when any controversy arose.

The report then observes:

> This suggestion we adopt as our main recommendation.

The document then proceeds to deal with a lot of detail. Let me point out in passing that this important commission, to which the minister referred this afternoon and whose report he admitted not having read, recommends this system. Among other things the commissioners say this:

> There are numerous important questions arising between merchants and shipowners which cannot be properly determined by legislation.

I pause here to make this remark, that this is exactly the situation with which we are faced to-day—differences between shippers and shipowners. They go on to say:

> We consider that most if not all the serious abuses to which the system is liable can be remedied by such counter-combinations on the part of merchants and shippers, and that it is generally undesirable that the state should interfere to remedy or prevent grievances which by reasonable effort can be prevented or remedied by the persons concerned.

That is very sound doctrine which I commend to the government. It is undesirable for the state to interfere in private business operations, but rather should it bring about a reconciliation between conflicting interests by a process of reasonable conference between those affected. The report then makes this very trite observation:

> We are confirmed in this view by our belief that the majority of the shipowners conducting the operations of conference lines are public spirited men fully alive to the desirability of encouraging trade.

That, I think, will be found in marked contrast to the spirit of the report immediately under review and forming the basis of the resolution. There are three or four other findings of this commission which I will not bother to read.

Mr. SINCLAIR (Queens): Is the hon. member quoting from the majority report?

Mr. STEVENS: Yes; and now that the hon. member has asked that question I may quote from both. I have been quoting from the majority report but there was also a report submitted by the minority. Let me read further, however, from the same report:

> We do not consider that inquiry should be ordered where associations merely complain that rates are too high or unfair, or where, owing to a temporary rate war, rates from a foreign country may have been lower for a short time than from the United Kingdom.

That is rather a strange doctrine in view of what my hon. friends have been saying. However, the point I want to emphasize—and I do not wish to be misunderstood or misquoted—is that in this very intricate and complex question, which has been investigated by the very best authorities on the subject for many years, it is recognized that the difficulties being as involved as they are, it is

undesirable to seek to straighten them out by any arbitrary act of parliament. A course must be followed which will tend to promote harmonious relations between shipper and ship owner.

Now, my hon. friend suggests that there may be a minority report. There was. Let me state that the main portion of this report deals with the subject of rebates rather than conferences, although the two are reported on together. This is an extract from the minority report:

> We who sign this minority report think that, before the adoption of legislation declaring illegal the deferred rebate system, or involving great interference by a government department with the details of the working of a highly complex industry, and leading probably to much litigation, a real attempt should be made to give effect to a system of conciliation and limited supervision by the board of trade.

There again you have the same doctrine expounded. I shall not weary the House by quoting further from that report. I read this, however, for the purpose of impressing upon the members of the House this fact: It is true this is a complex and delicate question, fraught with the greatest difficulties, and in spite of all the experience we have behind us there is a grave danger in injecting into it arbitrary legislative action.

My hon. friend referred also to the report of the agricultural committee of two years ago. He said that it was one of great importance. If that is the case, why did not the government some time within the last two years take cognizance of this clause in the agricultural committee's report, which report was commended to the House by the minister this afternoon:

> The committee desire to bring the facts in this regard to the earnest attention of the House,—

Dealing now with the North Atlantic conference.

> —and would respectfully suggest that the Minister of Railways and Canals should take the matter up with those responsible for the management of the boats of the Canadian Government Merchant Marine, so that the complicity of the Canadian Government Merchant Marine in this combine may be brought to an end immediately.

This afternoon the minister professed to have a great regard for this report; but for two years since the report was made the Canadian Government Merchant Marine has been "sitting in" in this conference. I am not blaming the management for that, I am merely stating the fact. For two years the government have gone sweetly along their way ignoring this report, and now they come forward to tell us that it is of great importance and is in support of the report made by Mr. Preston, and that therefore his report should be accepted by the House.

My hon. friend also addressed to the House as a reason for the recognition of the Preston report and its acceptance certain quotations from the evidence taken by the Dominions Royal Commission. Does he not recall that his quotations refer exclusively to New Zealand and to trade to British ports—British trade? I am going to deal with that at some length in a moment or two. What I want to point out to my hon. friend is that he is justified in quoting the Dominions Royal Commission in regard to grievances that New Zealand or some British ports had, but he is not justified in expending nearly a million and a half dollars of the taxpayers money to subsidize the Petersen interests.

Now, I address myself directly to the resolution. Its basis will be found in a section of the Speech from the Throne which I desire to quote in laying the foundation for my argument, and the House will bear with me a moment while I again bring to their attention this paragraph from the Governor General's speech:

> It is becoming increasingly evident, however, that quite as important a factor as the customs tariff in their effect upon production and living costs are transportation costs and rates, by land and sea. It is the opinion of my advisers—

The government.

> —that the attention of parliament at the present session should be directed more particularly to the desirability of effecting a freer movement of commodities through an equalization of railway freight rates as between provinces and localities, and through a lowering of carrying charges upon shipments by water of the products of the farm, the mine, the forest, the fisheries, and of our manufacturing industries.
>
> Some measure of control of transportation by land and sea is obviously essential—

And so forth. In other words, Mr. Speaker, we have presented to us by this official document these suggestions: First, that the government have in mind the freer movement of commodities; and, secondly, the lowering of the carrying charges. And it alleges that there is a powerful steamship combine restraining the export trade. The very essence of the proposal embodied in the resolution now before the House rests on this test: Will the proposal bring about the control of ocean freight rates? That, I say, is the test of the whole question and I purpose focusing the attention of the House upon it. Will the proposal of the government bring about a freer movement of commodities and a lowering of carrying charges? Or perhaps I should be more charitable and say: Is it likely to bring about this result? Is it reasonable to expect that it will? What is the basis of the proposal? It is found in a report by one, W. T. R. Preston. His report

is offered as the reason for the resolution and for the remedy suggested, and it is all the evidence adduced by the government to support the charge that a combine in restraint of trade exists. I wish to call the attention of the Prime Minister (Mr. Mackenzie King) and of the Minister of Trade and Commerce to the fact that when this resolution was originally placed on the order paper I asked for the correspondence between Mr. Preston and those affected, or for any correspondence bearing upon the subject. The hon. Minister of Railways (Mr. Graham), who replied, stated that there was no correspondence so far as he knew. So we have only this report to support the contentions of the government that such a combine exists.

Now, Mr. Speaker, our business as a House is to analyze and weigh this proposal. I ask, first: Does it offer a satisfactory remedy of the alleged grievance? Secondly: Has the maker of this report demonstrated that the alleged injury is an actual injury? These are the two questions I ask at the moment, and I purpose examining the report in regard thereto. All through the report the maker of it refers to the North Atlantic conference as a combine in such terms and in such a tone as to convey the impression that it is an evil and sinister thing. I apprehend, Sir, that it is not the part of an impartial investigator to adopt at the outset and to preserve throughout his report to the end a prejudiced attitude towards the subject of his investigation. The least that such an individual should do is to seek to be fair and impartial in his investigation. I am not for the moment suggesting that there is not a combine, but I say that the maker of the report is not justified in starting from the premises that an evil and sinister influence exists in the form of a combine.

In the second place, I want to say this: A combination of trade interests is not necessarily in itself an evil thing, and I think the House ought to pause and consider that. The Prime Minister is very fond of pausing this session, and I invite him to pause for a moment and consider this point, that a combination of trade interests, I do not care what they are, is not necessarily an evil thing.

Mr. MACKENZIE KING: Hear, hear.

Mr. STEVENS: My right hon. friend says, "hear, hear," and I know that that is sound. Then I say to him that this report bears evidence that this institution referred to is judged and condemned from the very commencement and before any investigation was held. Indeed, the minister (Mr. Low) this afternoon referred to the fact that ever since last June he had had in his mind this ten-ship remedy for the situation. Now let me proceed. A combination of interests, or a conference, or whatever you like to term it, a combine, if you will,—although I do not like to apply the word combine because almost invariably it carries with it a suggestion that is not necessarily contained in the word, but a combination of interests in regard to shipping—may have some beneficial results. I say it may have. It may stabilize service; it may result in a uniformity of rates; it may improve shipping conditions; it may render possible recovery of losses in shipping; it may fix regularity of service. These are some of the things it may do, and are these evils? Everyone within hearing of my voice knows they are not. As a matter of fact, Mr. Speaker, no one disputes the fact that there is a conference, or a combination of interests existing in connection with shipping. It is unnecessary to establish that; it is admitted. The point we have to decide, however, is this: Has this conference been conducted contrary to the interests of the public? Has it been injurious? Has it been sinister? Or, on the other hand, has it contributed to the benefit of the country and to the benefit of shipping? I think we must admit that there are some benefits accrue from this conference, and I wish to state them. I think it is necessary and only fair to do so if we want to be impartial in this matter.

I know as a matter of my own personal knowledge, and I think it will not be disputed, that about the beginning of the year, about March, which is the beginning of the shipping season on the St. Lawrence, and the same thing applies to other sections, a list is supplied freely to shippers giving the fixed sailing dates of ships throughout the whole season from March, in the case of the St. Lawrence, to October or November. Now these fixed sailing dates are very valuable to shippers. They enable shippers to contract for the future: shippers are thereby enabled to provide for the contracting of delivery of goods to other countries for months ahead; they are likewise able to contract months ahead for the purchase and receipt of goods from other countries. Furthermore, by this method of fixed sailings the shippers, large and small, are assured of cargo space. In addition to that, there are almost daily sailings fixed from the port of Montreal. The reason I take the port of Montreal is this: There is no doubt in my mind from reading the resolution and the report that the point of attack—shall I say?—is the St. Lawrence route, or the port of Montreal and the lines running from there. In a

lesser degree, of course, other points will be affected. Now I submit, Mr. Speaker, that these are things that are beneficial to the shipper in this country; these are things that we ought to recognize and frankly acknowledge.

I turn now to the consideration of another British report, which I have under my hand. It is the report of the Commission on Shipping and Shipbuilding, a commission appointed, I think, by Mr. Asquith in 1916. The commission reported in 1918, a very excellent report, comprising a large volume, and most exhaustive in its research and in its findings. I want to read an extract from that report to form the basis of some further comments. This report, mark you, is dealing with the question of conferences, with the question of this great combination of conferences, if you like, referred to in the report of Mr. Preston:

> Conference Agreements. Broadly, conference agreements are designed to prevent the kind of abuses which has attracted so much attention in the New Zealand trade but immunity from such abuse may be bought at too high a price. Shipping, however, could not subsist on rate wars, and the whole object of conferences is to avert them and to produce equality of rates and stable conditions in the great ocean trades. This aspect of the matter was clearly brought out in the report of the Royal Commission on Shipping Rings—

That is the report to which the minister referred, and which I have also under my hand:

> —and we see no reason to dissent from the general conclusions stated in that report.

Let me pause to point this out. Through all the reports of these British investigating commissions, the report of 1909, the report of 1918, the Imperial Shipping committee's report, the report indeed of the Dominions Royal Commission, there runs a singularly uniform note, that it is inadvisable to precipitate conditions that bring about rate wars, and inadvisable also to have too much government interference with shipping and with the operation of ships on the high seas. I say this is singular, and it is rather important and most interesting.

Now in connection with the report that we have as a basis for this resolution there is a letter issued by the party who prepared this report, Mr. Preston. He says:

> I acted on my own judgment.

and so forth.

> I thought it better to have a frank discussion and I therefore presented the following memorandum.

I have under my hand the memorandum which he prepared, and which he suggests in the report that he sent to all the shipping concerns. I do not know whether they received it, but I notice in the press of this morning or yesterday that one after the other of the shipping companies have absolutely denied ever having received any invitation from him at all; but whether they received it or not does not alter the fact I wish to place before the House. What I wish to point out is the strange procedure followed by this gentleman. He pre-judges the case. If you will read the letter—I do not intend to read it all—you will find he declares that a combine that is sinister in its influence exists. Mark you, Mr. Speaker, this letter is supposed to be addressed to individuals whom he declares he is going to invite to a discussion; but before he invites them, indeed, in the very letter he alleges to have sent them as an invitation, he tells them that they are in an evil combine, a combine of sinister influence. He furthermore tells them, and this is the strangest feature, that a decision had already been arrived at. He tells them that it was proposed to deal with the matter in one of two ways:

> (1) By an arrangement with an independent steamship company with government assistance, and government control over freight rates or,
>
> (2) The establishment of a government service between British and Canadian ports with modern vessels.
>
> The former is regarded as the more desirable.

So he had already judged, before he made any steps to inquire into the business at all, what course he was going to pursue. Then in the latter part of the memorandum he indulges in what is undoubtedly a threat. For instance, he tells the shipping interests in connection with this company which he proposes to establish that:

> The government railways traverse the Dominion of Canada in about 24,000 miles of tracks or service. It is fair to presume that whatever action the government takes in the matter, will be towards linking up the suggested ocean transportation with this enormous mileage of National railways—

and so on. In other words he simply says this: You ship owners and shipping companies are leagued together in a combine and I judge you and condemn you. That is his first point. Secondly he says: I have already found a remedy and that remedy is the organization of a separate company—in this case the Petersen Company under government subsidy. In the third place he says: It is my intention, and it is the government's intention, to link this special company, subsidized by the government, up with the railways; and the inference is left, to the prejudice of all other concerns as far as the securing of freight by these railways is concerned.

Mr. MACKENZIE KING: Was not Mr. Preston, in the statement which he made,

basing his remarks upon the finding of a committee of this House, to the effect that there was a North Atlantic combine?

Mr. STEVENS: Well, I have already referred to that. The Prime Minister, I think, perhaps is right; but let me put to him the question I put to the minister; I am glad to put it to him because he is the leader of the government: If this finding of the committee on agriculture of two years ago is of such importance, why did the government not take cognizance of this clause which I read a moment ago and which I will read again:

> The committee desire to bring the facts in this regard to the earnest attention of the House, and to respectfully suggest that the Minister of Railways and Canals should take up the matter with those responsible for the management of the boats, so that the complicity of the Canadian Government Merchant Marine in this combine may be brought to an end immediately.

Now, I ask the Prime Minister this question: If that report is of such grave importance as he would suggest, why did not the government two years ago pull the Canadian Merchant Marine out of the combine? If the existence of a combine, to which the right hon. Prime Minister now refers, was established by that committee to a sufficient extent to form the basis of Mr. Preston's report so that he need investigate no further, why did the government allow its own ships to continue for two years in that iniquitous combine?

Mr. MACKENZIE KING: I am told that the ships that were built as part of the merchant marine were not at all suited for the class of transport that is required between here and the Old Country. The matter was looked into, it was gone into very carefully at the time, and when the government found that the merchant marine were not suited in any way to meet the situation that we are face to face with, we began to take other means to bring about an effective meeting of the situation.

Mr. STEVENS: My right hon. friend will pardon me, I do not wish to be impertinent, but he has not answered the point at all.

Some hon. MEMBERS: Oh, oh.

Mr. STEVENS: Some one laughs. I will deal with the question of the suitability of the ships in a moment, I have the necessary memoranda under my hand. I am now dealing with—the propriety shall I say—? of government ships continuing for two years in a combine that is declared by the government's own emissaries to be an evil thing, continuing for two years after a committee had reported —and upon this report they rest their case,—that the combine existed.

Mr. MACKENZIE KING: I am told—I speak subject to correction—that one of the operations of this combine is, that if any line withdraws from it it will immediately attempt to undertake to put that line completely out of business. Now the merchant marine was in bad enough state when this government had to take it over, and we were not looking for a means to utterly destroy its usefulness.

Mr. STEVENS: I really have too high a regard for the Prime Minister to attribute that to him, as a serious observation and the ground for my hesitancy will be disclosed before I finish my remarks to-night. I am not going to be driven away from this point: The fact remains that it is alleged that the combine existed. The government takes in perfect faith the report of the committee on Agriculture of two years ago—I do not, but the government does—they take it to the extent of saying that Mr. Preston was warranted in accepting the report holus bolus without any further investigation. And yet they come before this House and say in the words of the Prime Minister "We had to keep our ships in this evil combine for two years. If we took them out we were afraid that the other members of the combine would exercise some damning and bankrupting influence upon the government of Canada". Just on this point I again remind the Prime Minister that the control of rates was the suggestion in the Speech from the Throne; but under this proposal of Mr. Preston, and under the proposal of the Minister of Trade and Commerce this afternoon, the objective is to smash this combine. I should like the House to bear that in mind—the intention is to smash the combine. Very good. We will find out before we get through, the feasibility of smashing it with the puny weapon that the government has taken into its hands.

Now, the letter goes on to say that there has been occasional discrimination, that freight rates have been excessive, and that the insurance on the St. Lawrence is higher, and so on. I want to examine briefly one or two of these points. In the first place it has been known for years that the insurance rates on the St. Lawrence have been high. It does not follow that a North Atlantic combine is to blame for the insurance rates on the St. Lawrence; that fact has nothing to do with the North Atlantic conference at all. As a matter of fact this government has to its credit the lowering of insurance to some slight degree: They added thirty days to the end of the open season, and took fifteen days

off the first part of the season. In other words they added fifteen days to the St. Lawrence route during which favourable rates are granted. They also secured the same rates of insurance in the case of shipping from Halifax as are obtained in the case of shipping from New York. That is the way to do it. I want to say to the Prime Minister that it is by dealing with this question step by step—here a problem solved and there a problem solved—that these great commercial and trade matters are properly and effectively treated. The government, however, seem to have departed wholly from that course in regard to this as well as in regard to other matters.

Now with respect to discrimination, I wish to examine the report at some little length. On pages 14 and 15 of the report will be found certain schedules. If the House will examine these schedules, and if the House will recall the speech of the Minister of Trade and Commerce this afternoon, it will remember and it will note this: That in every case it refers to a discrimination against British shipping from British ports, and very little in these schedules touches Canada at all. The report deals with the schedules from continental and United Kingdom ports to all sections of the world. Well, that is quite all right, but as to discrimination against British ports I want to ask in all fairness and with all courtesy, is it our business to take up the cudgels in behalf of the British shippers? Surely the British ship owners and the British merchants are wise enough, and skilled enough, and experienced enough to look after their own affairs. I do not want to say or to infer that we should wholly disregard their interests, but I do say that it is not the business of this country, of this parliament, or of this government to supply a subsidy to protect British shipping and British ports. Let us see what the British say themselves. I have it in their own reports, and it is worth reading. I wonder if the hon. member for Brome (Mr. McMaster) is in the House? Yes, I see him here. I wish he would listen to this particular clause. This is a clause drawn up by the British Commission on Shipping and Ship-building of 1918, and it must be remembered that it is drawn up by a free trade country so that there is something in it which seems to violate that idea.

Mr. McMASTER: Sound philosophy and good sense.

Mr. STEVENS: My hon. friend in advance stamps the words I am about to quote as sound philosophy and good sense.

[Mr. Stevens.]

> The British ship owner has to compete with the foreign ship owner in the provision of service, just as the British manufacturer has to compete with the foreign manufacturer in the supply of commodities.

That is perfectly sound. Then this report goes on to say:

> To meet such competition rates for foreign goods may at times be lower than rates for British goods, just as British goods may be sold abroad at lower prices than they are sold to the home consumer.

Mr. McMASTER: Hear, hear.

Mr. STEVENS: Good free trade doctrine. The hon. member for Brome (Mr. McMaster) has stamped this with his approval already.

> Some latitude in this respect must be allowed to the ship owner as it is allowed to the manufacturer, since international competition would otherwise be impossible.

I pause to emphasize the point. The minister comes before us with a resolution approving of a subsidy of $1,300,000 a year to certain steamship lines. What for? He says they are discriminating against British ports and British shippers to every port in the world. I will come to Canada in a minute. The British House in their own report state that such things are permissible and that it is sometimes necessary to give a preference, to give better rates to foreign goods in order to meet the competition of international trade. I want to say that that is an economic axiom that you cannot escape; you can do what you like to seek to escape it but you cannot.

> If the control of freights is confined simply to certain commodities of primary importance—

I want to read this to hon. friends to my left. I am addressing them in no captious spirit, but very seriously.

> —a preference will be given to the carriage of all other commodities, and the result will therefore be the exact opposite of that intended. If the control of freights is confined to particular trade routes, British tonnage will be diverted from those trade routes to others in which the freights are not controlled.

That is perfectly sound reasoning. It is infinitely more wise than anything I find in the report before the House. It simply says this: If you control rates in certain commodities shippers will seek to carry other lines of goods and make as much money out of them, and raise the rates to break even in their revenue; or if you have certain ports or trade routes which are under control, shipping will be inclined to abandon those routes and frequent those that are not under control. What is the next step in the reasoning? I want hon. members from the province of Nova Scotia to consider this report. They talk about using Canadian ports. You talk about reversing this practice of shipping goods from Providence, Rhode Island, Boston

and other ports but if you put a restrictive control upon Canadian routes you will find goods diverted through Maine and other states and going out through American ports. There is no escape from that. This British report, which represents a study of the whole situation, points to the danger of this form of control and restriction. We turn for a moment to Canada. We have a case where Canadian rates are higher than the rates from Germany. This is the matter upon which the writer of this report has apparently based a great deal of importance. He points out that goods coming from Hamburg to New York are carried at a lower rate than goods from Canada to Liverpool. In this case he is comparing the rates westward to the rates eastward, a comparison which is neither fair proper, nor germane to the subject at all. That is about all the reference he makes to Canadian goods, except that I find a reference to grain, which I will deal with in a moment. The point that I wish to make at this stage is that ships from Canadian ports carry full cargoes eastward to the European ports, but almost invariably they come back with perhaps about a quarter cargo. I think that is a fair statement of the case. The result is that if you carry a full cargo one way and a quarter cargo the other way, the rates on the goods carried must be sufficient to pay for the trip both ways. That is a simple problem and a simple fact. That is one of the reasons why Canadian rates are high. Perhaps some of my hon. friends will say, "Well then, why not lower your tariff, so as to make a larger flow of goods into Canada?"

Some hon. MEMBERS: Hear, hear.

Mr. STEVENS: I find that I have properly interpreted the view of some. I have a remedy which I think is much better than that. If you followed that course and lowered your tariff so as to admit goods into the country, it is not likely you would increase the amount of goods coming from Europe or Great Britain, and the chances are that you would increase the influx of goods from the United States. To remedy this situation in Canada in regard to open freight rates, we want full cargoes from Europe. But they must be made up of goods bought in England or in Europe, which are to-day bought in the United States. I will tell my hon. friends why I hold to that point.

Mr. FORKE: We favour a British preference.

Mr STEVENS: I will very gladly discuss the British preference, but I want to finish my argument if I may. I say we should increase the cargoes from Europe at the expense of the cargoes coming from the United States. I do not want to get into a side discussion, but I think the point is worth making. We owe the United States annually in interest about two hundred million dollars. In order to break even with them we ought to sell them two hundred million dollars per year more than we do. As a matter of fact we are importing annually from them two to three hundred million dollars worth of goods more than they buy from us, the result being that we are going behind the United States some four hundred and fifty or five hundred million dollars per year, and it is about time we designed a policy, irrespective of how we do it, that would divert to Europe and Canada the purchase of some of the goods which are now brought in from south of the line. That policy will go a long way to remedy the very grievance that we are labouring under at the present time.

I will pass to another point, and I pause to remind the Prime Minister of something that I think perhaps he will find interesting. I know that I found it interesting. Would he recall that in his speech delivered in this House a few weeks ago, on the occasion of the debate on the Address, he took a great deal of time to demonstrate that our foreign trade was in a splendid condition and our manufacturers better off than manufacturers south of the line and that conditions generally in Canada were more normal than conditions south of the line. I should like to read to the House what his special emissary says in that regard. In a paragraph headed "Closing down" he quotes an extract from some anonymous writer regarding that and says:

> Further quotations from departmental correspondence are uncalled for. It is only necessary to say that complaints have been received by the Department of Trade and Commerce from correspondents extending from the Maritime to the western provinces, clearly indicating that the increase in the cost of overseas transportation has played serious havoc with manufacturers, agriculturists, exporters and traders, as well as causing unemployment in industrial circles, and is also adversely affecting communities which otherwise would be fairly prosperous.

Mr. MACKENZIE KING: Hear, hear.

Mr. STEVENS: The Prime Minister says "hear, hear". The other day my right hon. leader pointed out that there was serious havoc played in the industries and in the prosperity of the citizens of this country. The Prime Minister took three hours to try to persuade this House and the country that my right hon. leader was all wrong.

Mr. MACKENZIE KING: No. I said that notwithstanding the fact that conditions were bad, they were much better in Canada in some particulars than in the United States.

Mr. STEVENS: They must be pretty bad over there.

Mr. MACKENZIE KING: They are.

Mr. STEVENS: It is rather strange to find upon what grounds they consider our rates unfair as compared with those obtaining in the United States. If the United States have better rates than we have and their rates are bad, and this report says that these conditions are because of rates, then the rates in the United States being low must be the cause of their being in a worse condition than we are. The Prime Minister's proposals will not bear examination. He knows that quite well. He sought to imply in this House the other day, that conditions were excellent. I merely read this to show that one of his chosen henchmen differs from him in this regard.

By the way, I notice that this refers to the department of the Minister of Trade and Commerce (Mr. Low). He says that his files are filled with this sort of correspondence, and I was wondering when I read it, how the minister had the hardihood to issue that famous advertisement that Canada had turned the corner.

These schedules to which I have referred furnish the grievance which is claimed on behalf of Canada. I want to refer to the wheat situation and this is of intense interest. May I say to my hon. friends who are seriously interested in arriving at some proper solution of this problem, that wheat, flour, sugar and cattle have never been under the conference rates? They are not controlled by this alleged combine at all. They are excluded from it and are free from these rates.

Mr. SPEAKMAN: On what authority is that statement made?

Mr. STEVENS: No one will dispute it.

Mr. LAPOINTE: Oh, oh.

Mr. STEVENS: Will the Minister of Justice dispute it?

Mr. LAPOINTE: I am laughing at the authority quoted by my hon. friend.

Mr. STEVENS: The Minister of Justice is, perhaps, one of those happy individuals that can see a joke in almost any tragedy, but he will not take the responsibility of saying that I am wrong in the matter.

Mr. LAPOINTE: No, but the hon. member's authority seems rather poor.

[Mr. Stevens.]

Mr. STEVENS. Does it? I can give further authority.

Mr. LAPOINTE: All right.

Mr. STEVENS: If the minister had given me time, I would have done so, but I ask him: Will he dispute my authority, my own statement? He will not. He knows better. I ask the Minister of Trade and Commerce, his colleague: Am I right or am I wrong in asserting that wheat, flour, sugar and cattle are exempted from the conference rates? He can accept the advice of my hon. friend behind him. Not one of them will dispute it. They know perfectly well I am right. I do not see the hon. member for St. Lawrence-St. George (Mr. Marler) in his seat, but I know that he would at once confirm my statement.

Mr. LOW: The burden of proof rests with my hon. friend.

Mr. STEVENS: This is delightful. Will the Minister of Justice bear the Minister of Trade and Commerce out in that statement? I appeal to him. He is the legal authority.

Mr. LAPOINTE: I certainly concur with my colleague that he who makes an assertion must prove it.

Mr. STEVENS: I am not a lawyer, but I will venture this opinion, that the Minister of Trade and Commerce has got the cart before the horse; he has it reversed. It is not my business to prove my authorities at all. If my hon. friends dispute my authorities, it is up to them to show that I am wrong.

Some hon. MEMBERS: Oh, oh.

Mr. STEVENS: There goes the Minister of Agriculture with a laugh.

Mr. MOTHERWELL: I never heard such a doctrine in my life.

Mr. STEVENS: I repeat that wheat, flour, sugar and cattle are not, and never have been, included in the conference rates. I state further that I have this from shipping authorities both in Montreal and in other sections. I am not going to go any further in regard to quotations.

Mr. JACOBS: As a matter of information, would the hon. gentleman tell me if there are any fixed rates with regard to the commodities which he has just mentioned?

Mr. STEVENS: No.

Mr. JACOBS: There is competition?

Mr. STEVENS: Certainly there is.

Mr. JACOBS: Will the hon. gentleman quote his authority for that?

Mr. STEVENS: Yes—myself. I am going to give my hon. friends some facts in connection with the matter. In 1923, from Montreal, there were 200 tramp steamers and 598 line steamers. The tramp steamers carried 48,600,000 bushels of wheat or 42 per cent, and the line steamers carried 65,000,000 bushels of wheat or 58 per cent. In 1924, there were 367 tramp steamers and 570 line steamers. The tramp steamers carried 94,700,000 bushels of wheat or 62 per cent, and the line steamers carried 57,600,000 bushels or 38 per cent. My figures will be slightly different from those of some of the shipping interests of Montreal, because my figures are the harbour board figures. There may be a slight variation, which is accounted for in this way, that the shipping bodies, in their report, deal with the exact amount that was handled out as of certain dates, while the harbour board may deal with slightly different dates. This may make a difference of a few bushels, but the difference is so slight that it is not worth mentioning.

As regards cattle, in 1923, there were 28,966 shipped and in 1924, 41,892. If my hon. friends want my authority, I have in my hand in regard to both of these items, the customs reports which I secured from the Customs department presided over by the hon. member for Three Rivers (Mr. Bureau). This is the authority I am quoting. I am not going further into details, but what I want to make perfectly clear is this: First, no one will question this, that tramp steamers are not members of the combine. The tramp steamers from the port of Montreal carried 62 per cent of the wheat. Giving my hon. friends, for the moment, the pleasure, if they like, of questioning my authority regarding the wheat being outside of conference rates, at least the quantity of 94,700,000 bushels carried by tramp steamers last year was outside of the conference rates. They must admit that, although they would not admit the other. The point I want to make is that about one-half of this wheat—the quantity varies from year to year; sometimes it is more, sometimes less—is American wheat brought in early in the season through the port of Montreal, and it is, perhaps, the most valuable freight carried by the Canadian National and the Canadian Pacific, but more by the Canadian National than the Canadian Pacific. Does the government propose to subsidize to the extent of $1,300,000 a year Petersen steamers to carry American grain to Great Britain?

9 p.m.

Mr. MACKENZIE KING: I will answer that at once. Under the contract with Sir William Petersen, the government controls the rates and designates the commodities, and the government intends to confine its rate reductions under the agreement with Sir William Petersen to Canadian products.

Mr. STEVENS: Very good. As a matter of fact, the agreement, as it is now drafted, does not say so. It does, as to the rates which I shall deal with in a moment.

Mr. MACKENZIE KING: The agreement has not all the details in, but I was putting my hon. friend right in a matter on which he was astray.

Mr. STEVENS: I rather suspected that. I rather suspected that the government would be anxious to get this agreement to a private committee away up somewhere so that they could trim it up in order that it might be a little more presentable.

Mr. MACKENZIE KING: The agreement will have to pass just as it is. It cannot be trimmed up.

Mr. STEVENS: What about the commodities to which my right hon. friend refers?

Mr. MACKENZIE KING: The agreement gives the government the right to control the rates and to state on what commodities it shall apply, and the government intends that it shall apply only to Canadian products, merchandise and consumption generally. I am speaking in the name of the government to my hon. friend.

Mr. STEVENS: My right hon. friend stated a moment ago that this agreement stands and that not a letter of it can be changed.

Mr. MACKENZIE KING: It does stand.

Mr. STEVENS: Well, that agreement does not give the government the power to determine the commodity.

Mr. MACKENZIE KING: The agreement gives the government the power to control the rates and the government intends to see to it that wherever the rates give any advantage that advantage will be given to Canadian produce and other commodities and will not be extended beyond Canadian commodities.

Mr. STEVENS: Here is a dealer in Montreal, say, who buys a lot of wheat stored in one of the elevators there. That wheat is partly American and partly Canadian wheat,

and he owns it. Is the government going to say that this particular man shall have the special low rate and that this other man shall not have it? After all, we put our finger on the very crux of the whole business, the absurdity of it, when we deal with this point. And let the Prime Minister bear in mind that ten ships will make no great impress on the traffic out of Montreal alone, to say nothing of Halifax, St. John, Quebec, Vancouver, Victoria and Prince Rupert.

Mr. MACKENZIE KING: We shall see how the arrangement works with ten ships and we can add to the number if necessary.

Mr. STEVENS: I take my right hon. friend's word for that, and we shall "wait and see". And that is another point which I may touch upon. This arrangement is so elastic that the government may extend the number of ships to a hundred and may spend $10,000,000 a year in the enterprise. The Prime Minister nods his head, and that is precisely the danger of the whole thing; at the whim of a minister this agreement may be enlarged until it obligates the country in tremendous sums. And what for? To benefit some designated shipper, to favour some particular port or route, and in consequence to involve this country in endless discord between shipper and ship owner.

Mr. MACKENZIE KING: I hope my hon. friend will not think I am trying to interrupt him; I simply want to confine him to the facts. He has noticed in one of the clauses that the agreement is subject to the approval of parliament; the agreement will be as parliament approves it. And any subsequent agreement will be presented to parliament for approval; it will not be left to the whim of any minister.

Mr. STEVENS: But the Prime Minister assured me a moment ago that not a jot or tittle of the agreement was subject to change. Where do we stand? One moment we are told that not a letter of the agreement can be changed and the next moment we are informed that the agreement may be amended and a subsequent agreement brought in. As a matter of fact, that is the very point we are disputing, that the agreement as it stands will not be approved by parliament.

Mr. MACKENZIE KING: That is what the hon. gentleman wishes; it is not what the House wishes.

Mr. STEVENS: We shall see what the House wishes, and we will take care that the House is given an opportunity to express its views on the matter. I turn now to the question of immigration, in regard to which the report has much to say. It declares that the charges for immigrants have been greatly increased, and I admit that. It may be that the charges for immigrants at the present time are unreasonable; I am not disputing that point. But I would point this out. I have seen immigrant ships come to this country for twenty-five or thirty years and I know what the accommodation on the present liners to-day is, and in the light of my experience I want to tell the House that there is no comparison between the state of affairs now and what it was at that time. As everyone knows, it is impossible to expect immigrants to come to Canada to-day under the conditions that prevailed twenty-five or thirty years ago, when immigrants were housed like cattle. In the second place, the costs have risen. Whether or not they have so risen as to justify the present rate, I am not in a position to say, but I do assert that it is unfair to suggest that immigrants can be carried at the rates that were charged twenty-five years ago. But this point is more important still: the rates that obtained say twenty years ago applied at a time when there were literally millions of immigrants coming across the Atlantic. Let me give the figures. In 1913 there came to Canada 303,000 immigrants as compared with 108,000 in 1924, while the figures show that in 1913 there came to the United States 1,079,000 as against 395,000 in 1924. In other words, the United States, by an act of congress placing a limitation upon the number of immigrants that may be admitted to that country, has restricted immigration to such an extent that it is now less than a third of what it was twelve years ago. And Canada by its process of selected immigration, with which policy, generally speaking, I wholly agree, has confined its immigration to about one-third of what it was in 1913. And you cannot expect the same rates to be charged to-day when the traffic is only one-third of what it was formerly.

Now I come to the question of the remedy which the government proposes. The government proposes ten ships, and I would ask hon. gentlemen to bear in mind that from Montreal last year there sailed out nine hundred and thirteen vessels, while from Vancouver there were over a thousand, so that these two ports account for over two thousand vessels. And the government intends putting on ten ships, which probably will make about fifty or sixty trips in the year. Is it reasonable to expect any serious impress to be made on the shipping of the country by such a service as this, when we reflect that two ports

alone account for some two thousand vessels? And in addition to that, consider Halifax, St. John, Quebec, Victoria and Prince Rupert. It seems to me that any proposal of this kind, if it is to be effective, must apply to all ports in Canada alike, and at the present time this is limited to Atlantic ports. I apprehend that someone may question me and I had better state my authority; the Minister of Justice (Mr. Lapointe) may insist upon that. In paragraph 4 of the preamble to the agreement I find that the government has thought it wise to adopt such means as may be deemed expedient and necessary to "such supervision and control of trans-Atlantic freight rates", and so on.

Why should the government abandon the Pacific coast when we are told in the report that the combine is world-wide and covers every sea and trade route? Why, the picture drawn by Preston is one that would wring the heart of any credulous person who did not know who the author was. But if this combine is world-wide, why should not the government apply the agreement to Pacific as well as to Atlantic ports? Why limit the agreement to the Atlantic? And I emphasize once again the fact that ten vessels applied even to the one port of Montreal will prove inadequate. The Prime Minister a moment ago referred to the character of the ships. I have a brief comparison to make and I invite his consideration to it. In the first place, in the schedule covering the type of vessels contemplated, I find that the particulars are "without guarantee." Do the Prime Minister and his government realize what that means? The Prime Minister says that nothing can be changed; this agreement stands as it is. Well, if it stands as it is, these specifications of the ships are without guarantee, and there is no reason in the world why Petersen should not vary them one way or the other at his whim and fancy. Let me compare them briefly with the present Canadian Government Merchant Marine ships. The Petersen ships, "without guarantee," have a gross tonnage of 5,000 while the merchant marine vessels, twenty-five ships, of the 8,100 ton class, have a gross tonnage of 5,751. The net tonnage of the Petersen ships is 3,500; of the Canadian Government Merchant Marine 3,550. And, by the way, net tonnage is the test. The speed of the Petersen ships —unguaranteed, mark you—is 11 knots; the speed of the Canadian Government Merchant Marine ships on a six-mile trial trip was 11¾ knots. Repairs to the Petersen ships, I am informed by men thoroughly competent to advise in the matter, owing to the unique construction of their internal combustion engines can only be made in Great Britain in virtually the one place where they are now built; that is, the cylinders of these engines are made of a peculiar steel that is not kept in stock in other yards. Consequently these ships will find great difficulty in securing engine repairs on this side of the water. The Canadian Government Merchant Marine ships are more or less of a standard type and therefore can be repaired in any port throughout the world. A great deal of stress is laid upon the value of internal combustion engines because of the saving in fuel. But it is well to bear in mind that owing to the fluctuating price of fuel oil many oil-burning ships today are being converted back into coal burners. I am not speaking of the fast passenger ships, but of this class of cargo boat. The Petersen ships will have a grain capacity of 580,000 cubic feet as against 447,000 cubic feet of the 8,500 ton Canadian Government Merchant Marine boats; but the difference is not very great, and as regards our 10,000 ton ships the capacity is about the same as that of the Petersen ships.

Now let me deal briefly with the cost of this proposal. A ten-year period with principal and interest amounts to an expenditure of over $17,000,000; a 20-year period, with principal and interest compounded, amounts to $46,200,000. The government are asking us virtually to commit the country to an expenditure of some $17,000,000 over a period of ten years. But the Prime Minister says that if he and his colleagues think the contract is working out successfully they may extend it indefinitely; at any rate, there is no limit in the agreement. What are we asked to do this for? For the alleged purpose of smashing, as the Minister of Trade and Commerce says, the North Atlantic combine. This measure will plunge the country into excessive expense. This is no time for us to indulge in experiments that will cost the taxpayers large sums of money. Infinitely better would it be to apply this sum annually to debt reduction, although it may be a small sum in comparison with the national debt, rather than waste it in an abortive effort to control ocean freight rates in this manner.

The Preston report upon which the government rests its case is prejudiced and unfair, and bears all the earmarks of an effusion from a narrow and jaundiced mind; nor does any utterance upon any subject by this author carry any conviction or respect in this country. This may sound a little harsh, but I want to say it very frankly. Certain men may be very clever, they may be useful in elections to pull their party out of a difficult corner,

but because of that qualification they are not necessarily fitted for a quasi-judicial position such as this investigation called for.

Mr. MACKENZIE KING: Is my hon. friend taking advantage of the privilege of parliament in making that statement? I hope he will repeat it on a public platform, and so give Mr. Preston a chance to answer him.

Mr. STEVENS: I am very glad to waive any parliamentary protection in regard to that statement. I would very willingly submit this agreement to any judicially minded person as a basis for my contention. I affirm and reaffirm my contention that this whole report is permeated with prejudice and bitterness and bears abundant proof that its author had prejudged the case that was before him for consideration. As a matter of fact, the Petersen agreement is a case of heads I win, tails you lose. There is no penalty in it for Mr. Petersen at all. He can abandon this trade route any time he likes, and the only recourse the government has is to notify him that the contract is terminated. It is the most absurd thing I ever heard of.

Mr. MACKENZIE KING: What will Mr. Petersen get out of it if he does not perform his contract?

Mr. STEVENS: Mr. Petersen draws his subsidy from month to month.

Mr. MACKENZIE KING: After he has performed his service.

Mr. STEVENS: Of course; but after he has performed his service from month to month he draws his subsidy. The government having tied themselves up hand and foot under this contract, Mr. Petersen may abandon it if he is not satisfied with the results. He may see more lucrative trade routes somewhere else, to Australia, South Africa, India or any other part of the world, he may make a contract with others for ten years and abandon this contract, he may pull his ships off the route at Liverpool. And what happens? Here is the penalty clause, Mr. Speaker, that this lawyer, whom the minister referred to as the greatest lawyer in Canada—and we will find out later who it is—has inserted in the contract:

> If at any time after the expiration of the eighteen months mentioned in paragraph 1 (c) the contractor should fail to carry on the said service with the full complement of ten ships, the minister may by notice in writing call upon him to supply the deficiency within a delay of three months, and in default of the contractor's doing so within such delay, the minister may terminate the contract by notice in writing.

When Mr. Petersen abandons his contract and leaves us high and dry, I picture the

Minister of Trade and Commerce sitting down and inditing a terrible letter to the ship owner telling him that if he does not immediately restore the service he will lose his contract. The man having already abandoned the contract is under no penalty whatever! In the meantime we have been paying him during the period of the experiment, $1,300,000 a year, and at the same time we have disturbed and upset our trade arrangements and our shipping connections, and we have driven every tramp steamer out of the business.

Now, if the House will pardon me a little humour after so much seriousness. The Minister of Trade of Commerce and his friend the author of this report, remind me of the story of two Irishmen—

Mr. LOW: I might inform my hon. friend that Mr. Lafleur is the lawyer who drew the contract.

Mr. STEVENS: I have a very high regard for Mr. Lafleur, but I have a shrewd suspicion that this agreement, whoever may have gone over it afterwards and revised it, was signed in the Old Country before the minister ever returned here.

Mr. LOW: My hon. friend's suspicion is not well-founded.

Mr. STEVENS: Probably not. The minister referred to Mr. Petersen as chairman of the Bureau Veritas. I like to accept suggestions when they are given to me, and I find it rather interesting to note that Mr. Petersen who is going to supply these ships without guarantee—it is so stated in the contract—is to preside over the committee which will determine whether these ships are or are not in accordance with the schedules.

Now for my story. There were two Irishmen, the story goes who met a bob-tailed wildcat and chased it for a while, and finally drove it up a tree. Mike sent Pat up to shake it down. Pat shakes it down, and Mike catches it. Pat shouts down, "Have you the wildcat?" "Yes," cries Mike "but come down and help me let it go." I can imagine, Mr. Speaker, the Minister of Trade and Commerce and Mr. Preston scurrying around and finally treeing this bob-tailed wildcat and Mr. Preston then taking the safer course and going up the tree to shake it down. The minister now has the bob-tailed wildcat in his hands, and he is praying for heaven's sake for someone to come and help him let it go.

The government's objective is a free movement of commodities and a lowering of charges. Can anyone suggest for a moment

that the government's remedy is conducive to a freer movement of commodities, that with ten or twenty or even thirty ships it is going to make any appreciable impress upon the North Atlantic conference or upon the ships in that conference?

Mr. ANDREW McMASTER (Brome): Mr. Speaker, it perhaps may be fitting as I had the great honour of being chairman of the committee that looked into the matter of ocean freight rates some two years ago, if I detain the House for a little while in consideration of the matter which is now before us.

The speaker who has just resumed his seat (Mr. Stevens) stated that he did not take our report in perfect faith. In making that statement he reflected to a certain degree on certain very honourable and distinguished members of his own party, because the two reports which were brought into the House by this committee on ocean freight rates were unanimous reports, concurred in by the former Minister of Agriculture in the government of my right hon. friend who now leads the opposition, concurred in by a gentleman of the Conservative party who at one time, I understand, occupied the important position of Minister of Agriculture in the province of Ontario, and by two other distinguished and hon. members of this House; and in reflecting upon the report the hon. member for Vancouver Centre (Mr. Stevens) was reflecting upon the wisdom or patriotism of these gentlemen as well as upon the wisdom or patriotism of other members of the committee. I would be prepared to leave the appreciation of the conduct of our committee and of the actions of the chairman in regard thereto in the hands of my fellow members of that committee who belong to the Conservative persuasion. There was not from the beginning the slightest attempt to make political capital out of the matters which came before us for investigation. I would gladly bear testimony to the work which all the members performed on that committee. We worked literally night and day in endeavouring to get at the facts, and with no other endeavour, and when we had got some of the facts concerning certain phases of our inquiry—our time was not sufficient to enable us to go fully into all the multitudinous matters brought before us,—we made two reports on the question of ocean freight rates. Those reports were concurred in unanimously by all the members of the committee; they were concurred in without cavil by all the members of this House.

Now the gentleman who has just taken his seat does not state that there is not a North Atlantic conference or combine, but he rather objects to the word combine; he prefers the word conference, and though he does not exactly praise it, he would give us to understand that this combination of shipping interests is really rather beneficial than otherwise. It is true that it may require some slight correction here and there, but according to him, its virtues far outweigh its vices. Here again he falls foul, I will not say of a more distinguished member of the party which sits in the corner immediately at your left, Mr. Speaker, but he falls foul of the gentleman who occupied in a previous administration the very honourable and onerous position of Minister of Finance, a gentleman who in earlier, I will not say happier days, was the chairman of the Board of Railway Commissioners for Canada, and who looked into this matter and reported upon it to the government of the day; and his view of the situation was precisely the same view to which this committee arrived at.

I could not expect the House to listen with patience to me if I went over all our report, but perhaps I may be permitted to draw the attention of the House to certain of its salient features. We brought in two reports, one on the 23rd of April, 1923, and one on the 18th of June, 1923. In our first report we set forth that there was a combine, that there was a North Atlantic and U.K. Conference Eastward-Bound—I think that is the full title of the organization—which met every month in New York and there agreed on certain rates, and that there was also a committee of various lines trading out of Montreal called the Weekly Liner Committee. The matter in which the Liner Committee operated was as follows—I read from our report:

> The general rates were set at the North Atlantic and U.K. Conference in New York, but for the purpose of united action in regard to these and other rates, a weekly meeting was held, at which representatives of all the steamship lines attended. At this meeting, rates were agreed upon, and no member of the line had the right to depart from the rates so established without conferring with, and warning his competitors of his intention so to do. An earnestly worded expostulation would be directed by one member to another if this line of conduct was not followed.

Then we pointed out in our report that the operation of this conference had brought about this most extraordinary result:

> The government of the United States forced the Shipping board, which manages the United States governmentally-owned steamers, to make a very low rate for the transportation of flour to Europe, a rate stated by the shipping companies to be below a commercial rate. This rate applied only to flour ground in the United States. To meet this rate, the North Atlantic Conference lines established at a given moment a rate of 15 cents per 100 pounds on flour ground in the

United States, while they maintained a rate of 19 cents per 100 pounds on Canadian flour—a very substantial differential against our Canadian millers.

That rather disposes of the appeal made by the hon. member for Vancouver Centre (Mr. Stevens) that flour was always free, that flour was never controlled by the conference. As a matter of fact, the hon. member was mistaken in that regard.

In our second report we dealt somewhat thoroughly with the history, not of the shipping rings, but with the history of the investigations which had been made into the shipping rings. We examined with care the report made by the Royal Commission on Shipping Rings in 1909; that is the report to which the hon. member for Vancouver Centre has referred in his somewhat extended remarks. But what he drew the attention of the House to was the report of the majority of the committee, and this majority was made up largely of men who were not unconnected with the shipping business. They therefore gave to themselves a very high certificate of character. But the members of that committee who were less intimately connected with the shipping rings were somewhat more critical and the labour member of the committee, a gentleman by the name of Madison, made a very strong reservation and came out whole heartedly with the view that shipping combines were on the whole evil and not good things. I think we were very fair in our report in this matter. We gave a succinct and I think a fair account of the findings of all three classes of commissioners who subscribed to that report. We gave the findings of the majority of the commissioners and even the majority who investigated into the shipping rings were not satisfied with the way things were going on. Their solution was that groups of shippers should combine in associations that could face the powerful shipping ring: that one group should be organized to "faire face," as we say in the language of the province of Quebec, to present a united front against the association of the ship owners. But we also brought before the House the findings of the minority of the commisioners. Now, the minority of the commissioners found along lines which I think tend to appeal to the sense of the people of this country. It certainly appealed to the sense of the hon. member for West York (Sir Henry Drayton) when he looked into the matter. This is what the minority of the commissioners said:

All monopolies are liable to abuse, to a greater or less extent, unless they are strictly limited either by nature of the case, by legislation, or by some form of supervision.

[Mr. McMaster.]

And again:

There is, of course, a presumption against a monopoly in any branch of trade being beneficial to the community.

Again:

The benefits of the organization which they (the shipping companies) adopt for the purposes of their business must be valued, mainly with reference to its effect, not on the shipping companies, but on the general public.

I should not like to detain the House in setting forth all the conclusions to which this minority came, but I may be allowed to draw attention to a few of them. I suppose we are all agreed that it is a good thing to have cheap freight rates either on land or on water. But freight rates should not be driven down to such an extent, either on land or on water, that there is not a fair and reasonable return for the capital invested. I think that is reasonable, I think that is fair, unless there is too much capital invested, in which case it might be quite proper that rates should be driven down until the capital in the industry represents fairly the earnings earned upon it. But with that proviso I think I am within the sense, the common sense of this House, that we are all on common ground in saying that with provision for a proper return for capital it is paramount under our present economic system that goods should move freely from place to place, and that freight rates should be brought down to what would be a fair return for the public service rendered. That being the case I think we will all agree with the statement that:

The system was introduced in the first instance with the object of raising rates or preventing their fall and diminishing competition

It has been successful in raising or keeping up rates;

The public have as a rule, to pay higher rates of freight than they would pay in an open market;

The system has been injurious to "tramps", the strongest element in the British Mercantile marine, and it leads as to them to waste and to higher rates of freight.

The system tends to waste in various other directions owing to the manner in which the rings are constituted;

There is no satisfactory evidence that the saving in cost, if there be any, under the system of shipping rings, exceeds the waste which is due to that system;

The system tends to inflate the amount of tonnage and consequently the amount of capital invested upon which interest has to be paid.

I think that is merely an example of an economic law which is of almost universal application, namely—that if you artificially—whether by restriction of competition, or otherwise—increase for the time being the reward of capital in any certain given line you will induce more capital to flow into that line; that therefore you will produce an excess of capital in that line; that excess of capital will aim to earn money for itself; that rates

and prices will increase, and in the long run the business which it affected will be hurt and that capital which has entered into that artificially stimulated channel will be hurt as well. It seems to me a grateful thing to listen to the energetic and eloquent paean of praise in favour of an absence of artificiality put forth this evening by the hon. member for Vancouver Centre. I would invite him to follow that wholesome line of reasoning into many other spheres of social, political and economic thought.

After dealing with this long report on shipping rings we dealt with the report made in 1913 by the hon. member for West York (Sir Henry Drayton) who was then chairman of the Board of Railway Commissioners. His findings were practically the findings of the minority who had examined into the shipping rates. I will not say that he found in his report everything that they found, but I think that the conclusions which he arrived at were based, in large measure, upon the same reasonings and he came very much to the same conclusion that they did. I know that we based ours, in making our report, in no small measure upon the findings of a commissioner who went over there with judicial experience for the purpose of finding out the facts without, I may say, the slightest inclination to veer either to the right or to the left, and I think that it is a complete answer to those who would depend too strongly upon the favourable findings of this British commission if I might quote the words used by the hon. member for West York when he said in his report "Notwithstanding the information which I received from the conference lines, I am still of the view that an investigation should be held".

I am at one with the hon. member for Vancouver Centre when he says this matter is of the greatest difficulty and that it behooves us all to get at the real facts of the case. I cannot imagine a wiser step than that intimated by the Minister of Trade and Commerce this afternoon that this resolution shall be placed before a special committee of this House for investigation into the matter, and that before this committee there will be opportunities given for all interested parties to make their representations known.

May I just say that this should not be a matter upon which men should differ on party lines. I cannot see that there should be any difference of opinion between patriotic Canadian citizens as to the advisability of getting the cheapest freight rates that we can and all the facts we possibly can in order that our ways may be guided wisely and justly in the matter.

In our report we dealt with the finding of the Dominions Royal Commission which has been referred to by the minister in his address to the House this afternoon, and we also drew the attention of the House to the fact that there had been a similar movement in the United States, a similar attempt made to control freight rates by that country, and that the great publicist Lubin who founded the great Institute of Agriculture at Rome, had given us his opinion that it was vital for the agricultural interests of the world that some international body should control freight rates on the seas, because the question was in effect international and not national. Mr. Lubin in his report to congress shows how those who control the freight rates of the world control the supply of the staple commodities of the world, and how, if they are in league with speculators they may mulct not only the consumer but also the producer. That is one of the matters that we dealt with in our report, and I feel that that report, in view of the unanimity in which it was prepared, offered and accepted, might be accorded full faith and credit, even by leading members of the party which sits immediately to the left of the Speaker.

I have dealt at some length with the report itself, and I will now proceed to answer a few of the arguments which were advanced by the hon. member for Vancouver Centre (Mr. Stevens). The statement was made that the concern of British shippers was not our concern, and that British shippers might well be left to look after themselves. If that statement had been made by a nationalist of the province of Quebec I know what the Toronto Telegram would have said the next morning. What was the object of this country some time ago in giving a preference to British goods but to encourage trade between ourselves and the British Isles, I could not help remarking with a certain amount of interest—and my hon. friend will pardon me if I say also amusement—the emphatic statement made that if return cargoes could not be obtained freight rates must be paid both ways on any shipment. The hon. leader of the Progressive party (Mr. Forke) interjected a question as to how that attitude of mind comported with the desire expressed in some influential quarters to get rid of the British preference; but when that question was suggested my hon. friend wisely gave silence for a reply.

It seems to me that perhaps a few words may be spoken concerning the arguments used by the hon. member for Vancouver Centre

that what we must do is to devise a policy which will divert trade from its natural channel and into unnatural channels. That was in effect his argument when he pointed out that we had what he would be pleased to call an adverse balance of trade with the United States, and that we should endeavour by legislation to change that adverse balance of trade. Now, Mr. Speaker, we do not buy anything from the United States unless we can get better value for our money by so doing. We buy nothing from Great Britain, Germany, Austria or Italy unless those who are charged with the purchase of it think they can get the best value for their money. It is preposterous nonsense—and I say it in all kindness—to think you can effectively divert trade from its natural channels by legislation. Let me give the House an example which I gleaned from the pages of the report of the Economic conference which was attended by the Prime Minister and the Minister of Railways the autumn before last. The representative of India said that after the war they had endeavoured to direct their trade in raw hides from Germany to Great Britain. They had apparently in India—at least so I gathered from the report—a large trade in light hides, and prior to the war these light hides had been going largely to Germany. They had an export duty on these hides of 15 per cent. They cut the duty to Great Britain down to 10 per cent, and maintained the 15 per cent duty on hides sent to Germany; but the hides went to Germany just the same. Why? Because that was the natural place for them to go, because trade had worn that channel, because, as the representative from India said, the German people seemed to be the only people who were able as a good business venture, to work up or deal in these light hides. We had at the time when the National Policy was introduced into this country a very much smaller trade with the United States, relatively to the trade with England than we have to-day; but with the introduction of the National Policy, which was supported by the slogan "Reciprocity in trade or reciprocity in tariff," we found that relatively to our trade with Great Britain our trade with the United States increased. After 1896 we gave a large preference to British goods, but our trade with the United States increased proportionately faster than did our trade with Great Britain. In 1911 we were given an opportunity, which may not come again for many years, the responsibility for the rejection of which will have to be borne as a crushing burden on the shoulders of the distinguished members who sit on the immediate left of the Speaker.

But even after that rejection, trade with the United States relatively kept increasing and increasing. It is folly to fight against economic law and the facts of geography, and the sooner the country realizes that, and instead of trying to fight against economic law and to fight against geography, tries to take advantage of economic law and to take advantage of geography, the sooner we will arrive at a prosperous position.

In his remarks dealing with the report of this special committee investigating agricultural conditions, the member for Vancouver Centre made this statement:

> Wheat, flour, cattle and sugar were never affected by the conference rate whatever.

I have not had time to look up sugar, and I am prepared for the purpose of the argument to grant that my hon. friend is right about sugar, but he is wrong about the three other commodities.

Mr. STEVENS: Will the hon. gentleman allow me to interrupt?

Mr. McMASTER: Yes.

Mr. STEVENS: The hon. member is not quite right. I said that these articles were not now and had not been for some time affected by the conference rates. They were at one time, because I am quite aware of the fact that the United States government interfered in regard to flour, so that my hon. friend is quite right in regard to that.

Mr. McMASTER: Perhaps my hon. friend is not quite so wrong as I thought he was. I did not understand him to say that it was merely at the present time that these were not affected by the conference rates. I do not know whether they are now affected by the conference rates, but I know that after the representatives of the lines in Montreal had endeavoured to hide from your committee the existence of their combination and combine, and that after we examined into the matter, investigated and cross-questioned them, we found out these facts and, perhaps, if they had conference rates on wheat, flour and cattle, in the past, it is quite possible that even if they do not have them on these articles now, they may easily have them in the future.

In connection, however, with cattle, there is not much room for difference of opinion, because I hold in my hand a reply of the steamship lines engaged in the Canadian north Atlantic trade to a report made by Mr. Preston, and on page 21, I read as follows:

> During 1921 cattle were being shipped to continental ports at rates varying from $75 up to $100 per head whereas conference lines were only charging $40 to the

United Kingdom during the same period, and during the same year this rate was reduced to $30 and was subsequently reduced to the present basis of $20 on cattle weighing over 1,000 pounds, and $18 for cattle weighing 1,000 pounds or under.

This is not the rate of one particular line. This is the rate stated by all the lines to which the rates apply, and I think it is fair to say that that is a conference rate on cattle at the present time.

Let us look at the question of flour, because quite an eloquent appeal was made for support of the attitude assumed by my hon. friend, which after all, was an attitude rather of criticism than of constructive statesmanship, to members who sit immediately opposite me, because wheat and flour had not been controlled by conference rates. I have in my hand the evidence which was taken before the special committee on Agricultural Conditions. In part 1, at page 143 I read as follows:

By the Chairman:

Q. Have you a fixed agreement on other agricultural products?—A. We have certain understandings as to rates on some commodities.

Q. What commodities?—A. Oh, on butter, provisions—

Q. Flour?—A. No, there is no fixed rate on flour. We have what might be called a gentlemen's agreement as to rates on flour.

Mr. BRISTOL: What date is that?

Mr. McMASTER: This gentleman is Major Curry and he gave his evidence on March 15, 1923:

Q. What is the difference between an "understanding", and a "gentlemen's agreement", Major Curry?—A. There would be difficulty. If any particular flour shipper came to me and wanted a lower rate, and I thought there was justice in his argument and I felt we could afford to carry flour at a lower rate than we were quoting, I could very easily arrange to get him that rate.

Q. How would you arrange to get him that rate? Just give it to him yourself, or would you confer with others before giving him an answer?—A. On account of the understanding we have, I would have to give notice to the other steamship companies.

Q. What other steamship companies would you have to give notice to in such cases?—A. Do you wish me to name the companies?

Q. If you please.—A. The Canadian Pacific, the Cunard line, the Donaldson line, and the Canada Steamship line.

Q. The Canadian Government Merchant Marine?—A. I do not think, sir, they are in the agreement, but I believe they are represented, and perhaps could answer that question themselves.

We had some interesting evidence about flour from a Mr. Cunningham and I read from his evidence at page 195:

Q. Here we find the minutes of a meeting held on the 7th of February at 11 a.m. It does not say, but that would be in 1920:

Grain rates:—The lines present agreed to maintain a rate of forty cents per 100 pounds on rye, corn, barley and wheat when the latter is released, with fifty cents per 100 pounds on oats, with the exception of McLean Kennedy and Co., who stated they would have to cable their principals, but would recommend their adopting these rates.

That applies to wheat rather than to flour, but I may as well deal with wheat now, and there is plenty of evidence in the testimony given by these gentlemen that there was at that time and had been previously a conference rate on wheat as well as on flour.

There was also a rate on a great number of other agricultural commodities:

Q. Mr. Curry gave us to understand that the rates charged upon butter, cheese, live stock, chilled meats, apples, canned fruit and vegetables were all rates established after conference between the different lines?—A. No. I think he excluded the live stock.

Q. Well, apart from live stock, you would agree with him?—A. Yes. As far as we are concerned. We feel we should follow to a certain extent the rates that are considered satisfactory by the other lines.

I will not weary the House with further references to the evidence. I have merely this to say, that I think if anyone with an unprejudiced mind and a fair degree of intelligence will sit down and read the evidence which was given before the special committee, he will come to a conclusion without the slighest doubt that there was a combine and that there was a fixing of prices, not by the mere law of supply and demand, but an artificial fixing of prices. I am a great believer in the law of supply and demand in regard to ocean transportation as well as in regard to other things, but you do not have the law of supply and demand when those who have the supply combine together, no matter what the demand is, to put up the rates. One of the great difficulties in the situation is this. The hon. member for Vancouver Centre (Mr. Stevens) is perfectly right when he says that to have a schedule of vessels sailing and vessels arriving settled beforehand, is of real and vital interest to the commerce of the country. Of course it is, but it is also of real and vital interest to the commerce of the country that a man should know that not only will a certain ship leave on a certain day, but that no advantage will be taken of his necessity of shipping the goods by the transportation company in arbitrarily raising the rates, because that is what has happened and that is what is likely to happen under the present arrangements. Is this a good thing for the shipping companies themselves? I very much doubt it. We see more shipping in Montreal to-day than is needed to supply the demand. There would be far more goods shipped away from Canada and brought into Canada if we could have in many regards reasonable freight rates. There are some

10 p.m.

freight rates which are perfectly reasonable; there are others which are not reasonable. I am quite willing to admit, for the sake of argument, and I think it is a fair proposition to put before the members of this House, that operating costs of vessels have increased 100 per cent in, say, the last ten to fifteen years. But I am told that they have not, as a general rule, increased more than 100 per cent. Therefore, when one finds as one does certain rates increased from, not 100 per cent, but 200 per cent, 300 per cent, and, in some cases, 400 per cent, that is prima facie evidence of extortion.

A fair day's wage for a fair day's work applies to the workman, it applies to the administrator, and it should apply to capital. And those who endeavour by artificial means to get unjustifiable profits will find in the long run that they hurt not only those who are the direct sufferers but themselves as well. Are there any people in the world who are really more interested in the development of this undeveloped half of the North American continent than are the shipping people? When you consider that this country is able to support not only twice, but three times and perhaps four times the number of industrious, hard-working people whom we have in Canada to-day, is there any interest in the world, I ask, which is more concerned with the development of this Dominion than are the shipping people? Take the question of immigration. It is quite true that the immigrant accommodation on vessels to-day is incomparably better than what it was twenty years ago. But does it cost more than twice as much now than it did ten years ago to carry third class passengers? I doubt it very much, and when you find that third class rates have gone up three and four and five times what they were before, then I say that such a state of affairs calls for investigation. And if the investigation establishes the fact that there is extortion it calls for a remedy. There is one thing I believe a committee such as was foreshadowed by the Minister of Trade and Commerce this afternoon will do: it will enable us to get at the facts. And if whatever committee is appointed will work at the facts with the same devotion, the same lack of party spirit and animated with the same desire of arriving at the truth, the whole truth and nothing but the truth, as animated the previous committee, then I think a useful work can be accomplished.

Hon. EDMUND BRISTOL (Centre Toronto): The matter before the House, the proposed contract with reference to ocean transportation, is one of the most important problems that will come before parliament this session. The question of ocean transportation and the virtue or the misconduct of the North Atlantic conference or combine, or whatever hon. gentlemen may choose to call it, has been a matter which the Canadian people have had under consideration for, I suppose, twenty-five years. The chief thing in their favour, to start with, is the fact that they are principally English and mostly respectable people. So respectable are they that they even had until a few days ago the steamers belonging to the government of this country; and I believe they still have steamers belonging to the United States working under their flag as part of the conference, to say nothing of such ordinary people as the Canadian Pacific Railway Steamships, the Cunard line, the White Star and others.

To begin with, we might reasonably take it that at the hands of the Canadian people these gentlemen have a right at all events to fair consideration on the question whether they are or are not really a combine for the purpose of fixing ocean rates. They should be given the same fair consideration which the railway commission gives to the two railways of this country in the matter of fixing rates for their traffic. If these shipping interests have been operating as fairly as the railways have done, then no one has any reason to complain; and if on the other hand they have not been fair, if the farmers and the manufacturers of the country have not been properly treated, then we have a right to quarrel with them and possibly to do something to remedy whatever injustice might exist. I will not render any verdict on that question, inasmuch as we have Mr. Preston on the one hand and, on the other, the reports which have been referred to. I have received through the mail the reply of the steamship lines engaged in the Canadian north Atlantic trade, and apparently they differ very materially from Mr. Preston on many important matters. I did notice one thing which I considered of great importance to the farmers, and as they are the largest shippers of Canada, on the whole, the truth of the statement was one I wanted to verify. When the minister was speaking I therefore asked him a question as to whether grain, flour or cattle rates were fixed by the conference, and in this connection I would quote a statement that appears on page 5 of this document I have received:

> Furthermore, in the list of eastbound rates promulgated by the North Atlantic conference, no rate or agreement is made in respect to grain, flour or cattle, these rates being absolutely open.

If they are absolutely open and are continued absolutely open it is naturally a matter of great importance to the farmers of the country. Of course, it is easy to understand why they should be and are open, because on these particular commodities, such as cattle, there are tramp steamers in Montreal fighting the battle. The transportation question in Canada presents some difficulties on the Atlantic side, in Montreal and Quebec, that do not exist in the great port of New York. There is on the Atlantic ocean what is commonly known as the Atlantic triangle. That is to say, a ship will go from London or Liverpool to South America, thence up to New York, and if it gets a cargo it naturally will not want to go up the St. Lawrence particularly in October and November. If, however, a cargo is not available and the prospects are not bright, then there is a plenitude of shipping out of Montreal, as happened last year, when the tramps were in the proportion of two to one in opposition to the liners which are alleged to be a combine or conference.

Now, we must have had fairly good transportation rates in the last two or three years. for if I am correctly informed the great port of Montreal within the last three years has doubled the transportation that has proceeded from it.

An hon. MEMBER: What does that prove?

Mr. BRISTOL: That proves that at all events the rates were such as to encourage the shipment of goods at a profit, for otherwise people would not have exported. Of course, one difficulty in our shipping business naturally is that while we have a good cargo to go to England we often have a small cargo coming back. On the other hand, vessels going from England to South America or even to Australia usually have good return cargoes. So that when all is said and done the thing that really makes the difference is the number of cargoes which the ships carry.

So far as the present question is concerned, the real point before us is, not whether there is or is not a combine, but whether the contract which the government presents for our consideration is a sensible contract, a useful contract, a contract which, while it may not do very much, may make the combine, if there is a combine, sit up and take notice that we do not think they are treating the Canadian people fairly and that we will show them what can be done.

As regards the government, if they can do anything to improve transportation rates between Canada and the Old Country, then of course they are doing something of great public benefit. But I have read the contract with a good deal of care and I have no doubt it was drawn by the distinguished lawyer whose name was given to us. But the drawing of a contract is one thing and the making of it another, that is to say, the composition of what you put into it. I have no doubt Mr. Lafleur has drawn an excellent contract; but I want to tell my distinguished friend the Prime Minister (Mr. Mackenzie King) that I think it has been put over this government in a very shocking fashion. And I will explain the reasons for that view. I may be wrong, but I will explain my position, because I do not think the Prime Minister proposes to have something injurious accomplished if he can help it.

Now Sir William Petersen is only personally liable until he forms a corporation. That is perfectly clear. Once he has done that the clause to which I am referring absolutely releases him from liability; and very sensibly so too, for the modern man prefers to put a ship under a corporation; then should she run down another ship he is not liable for damages if there is carelessness on the part of the crew. It is a common practice to form a shipping company on these lines. But I am pointing out to the Prime Minister that the distinguished gentleman on whom he is relying is absolutely free from liability the moment he forms that corporation. Forming corporations as a matter of modern business has many qualities which are worth considering. For instance, under this contract if on the 15th of June he has borrowed or rented six ships and put them in operation, on the 15th day of July he starts to get his monthly payment of the $1,333,000, or thereabouts. The two ships which he is to deliver under the contract must be ready on the 1st of August, but he is under no penalty if he is not able to make delivery. If he writes, "I am very sorry, but the people who are constructing these ships have not got them quite ready," you have got to go on paying him.

Mr. MACKENZIE KING: Oh no.

Mr. BRISTOL: I am not asking the Prime Minister to accept my view. We will assume that you have not to go on paying. But on the 1st of August before he starts one of his real boats you have to begin paying him.

Mr. MACKENZIE KING: May I interrupt my hon. friend?

Mr. BRISTOL: I will read the clause my right hon. friend refers to later.

Mr. MACKENZIE KING: Read it now, please.

Mr. BRISTOL: I will, if it will give you any comfort. This is the clause:

And it is mutually covenanted and agreed between the parties hereto that the subsidy payable to the contractor in the preceding paragraph is based on the operation and maintenance of a service of ten ships and the subsidy aforementioned shall be increased or reduced as the case may be in proportion to the number of ships operated and maintained by the contractor in the service aforesaid from time to time and such increase or reduction of subsidy shall be added to or deducted from the monthly payments hereinbefore provided for in paragraph two.

Is that the clause?

Mr. MACKENZIE KING: No.

Mr. BRISTOL: Is there another later on?

Mr. MACKENZIE KING: Yes, let my hon. friend read clause 2.

Mr. BRISTOL: Certainly.

And His Majesty for himself, his heirs and successors hereby covenants and agrees with the contractor, his administrators and assigns that the contractor well and faithfully performing all and every the covenants, agreements and stipulations hereinbefore set forth—

Not afterwards, but hereinbefore set forth.

Mr. MACKENZIE KING: Yes.

Mr. BRISTOL: The clause continues:

—and contained by the said contractor to be done and performed shall well and truly pay or cause to be paid to the contractor, his heirs, administrators and assigns during continuance of this contract an annual subsidy of two hundred and seventy-five thousand pounds (£275,000) from and out of the consolidated fund or other proper moneys of the Dominion of Canada, the same to be paid and payable to the contractor at the city of London, England, in equal monthly instalments payable monthly at the end of each and every month (unless otherwise agreed upon between the contracting parties) in each and every year during the continuance of this agreement, the first monthly instalment to become due and payable one month after the commencement of the service hereinbefore referred to (which shall not be later than June 15, 1925)—

Mr. MACKENZIE KING: Does not that make it quite clear that he is to get no payment until he performs the service? He is to be paid monthly as he performs the service.

Mr. BRISTOL: If the service starts on the 15th of June he would be entitled to his first payment one month later.

Mr. MACKENZIE KING: On the six ships and no more.

Mr. BRISTOL: I should not like to agree with that.

Mr. MACKENZIE KING: That is the point.

[Mr. Bristol.]

Mr. BRISTOL: I think he would be very fortunate if he could get it on the six ships that he has hired instead of waiting to get it on the ten ships to be built. I am not trying to change the meaning of the contract, I am giving you my view. Clause 2 concludes:

—and instalments monthly thereafter unless the parties hereto mutually agree upon other terms of payment.

So the payments start on the 15th of July, and he has not got a ship built, but it is hoped he is going to have two ready on the 1st of August. Now, if he can get that rate of payment for the six ships he has hired he is very lucky. But we will leave it still August, and we will assume he gets his two ships ready on the 1st of August, when he receives two payments in advance, $300,000, on the two ships. Take ten ships of the character that are to be supplied under this contract, 5,000 ton ships, I am advised that a fairly high price for that type to-day is $120 per ton; that is $600,000 will build each one of those ships in England to-day. I do not think there is any doubt about that at all. During and immediately after the war the price was about $175 per ton. Of course, he has got good engines in them and they are excellent ships. Now, if you take $600,000 as the unit price, you have $6,000,000 that he has got to put into this business through a corporation. What he has to do really is to go to the shipping companies and make a contract with them for the ships, they will take security on the ships, and he need not put up one dollar. I will show you how he works it. He gets $6,000,000 from the corporation with this contract turned over to them so far as he has a right to turn it over, because it is mostly based on the carrying out of its terms, and with that money, if he paid $600,000 annually for the ten years—I am not allowing interest—he has still got out of that contract $1,330,000 per annum—a lot of money. If you take interest to-day in England at 5 per cent, $300,000 is all he has to pay on the $6,000,000, but it will be less, because as he receives his monthly payments he will have less interest to pay; in other words, in five years he will have paid for half the ships. So he would have a cold-blooded profit of at least $430,000 annually, and he would have the ships free. The only thing he has got against them is what the government of this country may do to him in the way of controlling and regulating the ocean freight rates he may charge. The minister to-day says that with the high type of ships he has to build he will make something like £4,000. I do not know whether he means

per annum or not. For myself, if I had a contract of that character, I would not care if I made anything each year, I would be quite content to get the ships at the end of the ten-year period for nothing.

The government is losing money on the operation of the Canadian Government Merchant Marine, for the very obvious reason that those ships are not under the British flag, and they pay higher rates of wages and higher prices for coal and supplies. Therefore it costs so much more to run them, and on last year's operation I am informed there will be a loss of nearly $9,000,000. They were charging the same rates that these terrible gentlemen, whom you may call anything you like, charged on their boats. The United States government in the same line of business lost $35,000,000, for although their coal bill is lower their rate of wages is higher. They charged the rates that the government are telling you are so high that these Atlantic pirates or combine, whichever you like to call them, are charging. But at least the combine people had to make a profit where we and the United States government made a loss. So that if Sir William Petersen, with new boats, charges the same rates, not as the combine, but as the combine would if they did not make a cent, he will make money; he will have his $430,000 cash annually and in ten years he will have the ships and they will not have cost him one dollar. He will not be liable for one cent, for the obvious reason that he has turned this over to a limited company, which is a very common and a very sensible thing to do. So with all respect to the government and to the distinguished gentleman who drew up that contract, I want to say that in my humble opinion, and I have had a little to do with contracts especially with reference to shipping, Sir William Petersen has an extremely valuable contract. He can even charge less rates than the so-called combine, still make money, and have his ships without them costing him a cent.

Mr. MACKENZIE KING: I cannot quite follow this point. My hon. friend says that Sir William Petersen has made a great contract, and is going to make a lot of money. On the other hand, I understood him to say that if any of these ships in the combine attempted to reduce rates, they would be ruined.

Mr. BRISTOL: I did not say they would be ruined. First of all, I do not believe there is a combine in the sense that it is a combine to restrain trade. I have too high an opinion of the Canadian Pacific and of these other lines to believe they are doing anything more than trying to get a fair rate which will keep them going. There may be mistakes made, just as there have been in the fixing of rates on our transportation lines in this country; there is a little one, for instance, on the Crowsnest pass; but I do not believe for one moment that the men who are running that North Atlantic conference, the best brains in England, the people who have made Great Britain, and who provided the ships to win the war—I do not believe that body of men are pirates or that they are desirous of charging a rate that will be ruinous to the people of Canada; they would be crazy to do it. They must try to give transportation at reasonable rates in order to get the products of this country as cargo for their ships, and if the people do not get a reasonable rate they will not ship their goods.

Coming back to the Petersen contract, I say that these modern ships, which are good, will certainly be able to carry just as cheaply as the ships of the Atlantic conference. All right. Now you say that the Atlantic conference is making money. So they are, I hope; they would not go on if they did not, but Sir William Petersen can cut his rate down to the amount they have made and charge that much less rate, and still have at the end of ten years his ships and $430,000 of annual profits for ten years. That is what he would have, and he need not be liable for one cent if his contract is a failure. In that case he can bid you good-bye. But if his contract is a success he takes the money. In the old contract in 1899 he had to put up some money as a guarantee.

I come now to the next stage. Sir William Petersen gets his contract, and the government are going to fix the rates. Now the government of this country have no more knowledge, in my humble judgment, than I have of fixing what ought to be the rates for transporting the trade of this country across the ocean in ships of this kind. Therefore they will have to select, as they did in connection with the railways, one, two or three men to say what shall be the rates that this new company which will be formed shall charge, and a company, of course, will be formed because Sir William Petersen will never leave himself open to liability; it would be foolish for him to do so; he does not have to. So whatever rates this company has to charge will have to be fixed by gentlemen to be selected by the government. I do not know who around Montreal has brains enough —they may be there—to fix ocean rates the world over, or between here and Great Britain, taking insurance, transportation and

all other factors into account; but no doubt you can get the men if you pay for it, and that is an added charge to what this thing is going to cost.

Now when you have the rates fixed, it is perfectly obvious as has been said already that the ten ships are a mere bagatelle compared with the shipping that is engaged in carrying our trade across the ocean. What they can carry is a joke relatively to what has to be carried. Now who is going to get the benefit of the joke? Which of you gentlemen sitting to my left belonging to the Progressive party are going to have the good fortune to get your goods on these ships at a lower rate? How is it going to be decided? Is it going to be done by lot, or how? Is the space going to be given to particular friends, or to the Conservatives, and is it going to be done by advertising or how? Everybody in Canada will want to ship by those boats if they are from one to three per cent cheaper than the others; yet these ten ships cannot commence to handle our trade. My advice to the Progressive party is that they should see they get the first chance. I do not see much chance for the manufacturers of this country getting any space on these ships.

Mr. MACDONALD (Pictou): How many ships does my hon. friend think should be put on?

Mr. BRISTOL: I have not expressed the view that any ships should be put on. I am only criticising the particular contract before us. I have not found the slightest fault with the government for endeavouring, so to speak, to beat the lion in his den and destroy him, if there is a lion; and that, no doubt, would come out upon investigation. We can have the three gentlemen from New York representing this combine come down here, and they will tell us that the one thing in the world they love to do is to give Canadians the cheapest freights in the world; and I hope they will from now on. But what I do say is that this particular contract, in my humble opinion, and with all respect, is a gold brick so far as we are concerned. It is an extremely valuable contract for Sir William Petersen if he builds the right kind of ships, and he has no liability. Secondly, it gives such a small percentage of the people of this country a chance to get their goods on these ships at a reduced rate, whatever that rate may be; and I hope the government will be clever enough in appointing people and get a reduced rate.

But that is not all that Sir William Petersen makes. I have had a slight experience in

shipping, and I will give you a little suggestion. In case Sir William Petersen gets the contract, he may as well get all there is out of it. If the Petersen line operates, the government should get a rakeoff on all the activities, including commission on supplies, repairs, particularly the charges on which there is five per cent—viz: on charters, time charters, freights and all the other known perquisites that fall into the willing hands of a shipping agent who puts up nothing but his brains. Most of these transportation companies have a special company, and one set of friends will furnish the supplies, and make something out of that, and another the repairs, and so on. Sir William Petersen is a very experienced man in transportation, and no doubt he will have his supply company and get his share on supplies and repairs, and we have the evidence now that the engines that will be used in these boats can only be repaired in London, and that is pretty close to home.

I am not going into any further detail in this matter. I say that the question is a very vital and important one, and this contract cannot commence to solve the problem. The people who want space on these ships will have to fight each other for it, and I do not know what will happen to them. On the other hand, the gentleman who happens to have the ships, the owner of that stock, has no loss; he makes a large amount of money, and I should think he would be very happy in the proposition. But the contract is not going to solve the problem of ocean transportation for the people of this country. I cannot say at the present moment that I am able to give any solution of real value, but I would say that this government ought to be fairly well posted during the last two or three years as to how the conference does its work. You have government owned ships which are much larger than those which are to be put into operation. Government owned ships which have belonged to the North Atlantic Steamship conference for a number of years. Surely it would be possible to have the officers of the mercantile marine called and examined as to whether there is or is not a combine on the three things which I have mentioned—wheat, flour and cattle. It is surely very easy to get at that information, and it ought to be equally easy to get at the rates charged.

The carrying of live stock is a very important matter to shipping companies. I do not know whether the Petersen company are to provide any special facilities for the transportation or not. In my humble judgment the farmers of this country are absolutely

protected at the present time. To-day the liners are having much difficulty to get cargoes; when they cannot obtain sufficient other cargoes they put in grain to fill up the space. Both liners and tramps operate from the port of Montreal to ports of the United Kingdom. Last year 153,000,000 bushels of grain were shipped from that port and more of that grain was carried by tramps than by liners.

I cannot see that this contract is going to help our people to get lower transportation rates. It may help a few but at the expense of the Canadian tax payers. Doubtless the matter should be investigated, and if you appoint a committee to go into it it ought to be possible to secure the attendance of some distinguished people and to secure the facts and no doubt some good may result from the investigation, but not from this proposed contract.

Mr. HARRY LEADER (Portage la Prairie): I want to take this opportunity of making a few remarks in support of the live stock industry, and to point out how that industry is affected by high transportation costs. The Preston report deals with the cattle industry, and it makes this comment:

> The tragedy of the cattle industry must be largely laid to the determination of the North Atlantic steamship combine to keep the ocean rate at an exceptionally high figure.

In regard to the question of prices the report says:

> In January, 1923, the White Star S.S. line quoted a rate of $15 per head, since which time it has ranged largely from $20 to $25. It is claimed by the steamship companies that the $15 rate was a "distress rate." Shortly afterwards, however, the rate was fixed for the season at $20.

This proves that even the cattle rate is in the hands of the conference. I do not rise for the purpose of censuring the government for taking the action proposed here in order to secure cheaper transportation rates. I would rather feel like censuring them for not taking action sooner. I have on frequent occasions deplored the fact that the government have not undertaken to give us better transportation rates as I think perhaps they could have done. Resolutions have been passed by different live stock organizations throughout this country, in addition to the protests made on the floor of this House, at the failure of the government to take action. As far back as 1921 the following resolution was passed at the ninth annual convention of the Western Canada Live Stock Union:

> Be it resolved that this Western Canada Live Stock Union in convention assembled, while appreciating the voluntary reduction in freight rates on live stock by railways, urge upon the federal government the imperative need of a reduction of the cost of transportation on live stock to pre-war levels consistent with the drop in prices for live stock which the producer has been compelled to accept, and suggest for their immediate and serious consideration the utilization of the merchant marine service reported to be now lying idle in port as one means of alleviating this condition.

I had the privilege of attending the convention of the Western Live Stock Union at Calgary this year when a similar resolution was passed unanimously. I also attended the meetings of the Stock Breeders of Manitoba and a similar resolution was passed there also. So I say, that the demand is becoming insistent on the part of the live stock breeders of Canada for the government to take some action along this line. It has been claimed that the live stock industry is in a deplorable condition and that contention is true. I have some figures here that will prove how the industry has gone back and deteriorated in the last five years. The following table shows the extent to which our shipments to Great Britain and the United States have declined:

Year	No. of head
1920	500,216
1921	295,410
1922	207,735
1923 (approximately)	210,000
1924	262,680

There was a little increase in the shipments of 1924 due to the fact, I am sure, that the farmers becoming disgusted and discouraged with the disappointing results from this industry had sold off much of their breeding stock.

Now, I maintain that agriculture has never had the support and attention that its relative importance to the nation has demanded. The live stock industry is the most important factor in permanent agriculture. Britain recognizing this fact has always paid careful attention to its live stock, and still remains the pure bred nursery of the world. We read in the agricultural papers of Royalty itself being seen often in the show rings leading a prize beast bred on their own farm. The Breeders Gazette has taken exception very often to the fact that men in authority in America have not paid much attention to the live stock industry. This year we find that President Coolidge made the first trip of any United States president to the International Fair at Chicago. The time has come now when we would like to see the Prime Minister of this country attending many of our agricultural fairs, and I am sure we would be delighted to see him leading round the ring some prize animal. We can produce the cattle that Great Britain requires. She wants nothing but good stuff,

and we can deliver the goods. In substantiation of this statement I should like to say that at the International Fair at Chicago Canadian breeding cattle won thirty-four prizes. Among that number I believe were 9 firsts, and 3 grand championships. We won no less than nine prizes in the fat cattle class. There is a most wonderful market in the Old Land when we consider last year that it bought $160,000,000 worth of cattle from Ireland, whereas we succeeded in selling the Motherland only a little over $8,000,000 worth. Therefore it behooves this parliament and this government to take action immediately to try and save this great industry.

When the cattle embargo was finally removed we expected a great trade to develop and we had an assurance—in fact I believe it was advertised—that the White Star line would charge a rate of $15 per head for cattle shipped to the Old Country. Previous to the war, if I remember correctly our cattle were transported to the Old Country for $7.50 per head. We were much surprised when, instead of $15, the rate was advanced to $22.50 at which figure it now prevails although it is quoted at $20. While the farmers, ranchers, and business men of Canada have done everything possible to foster trade and build up this great industry, the shipping barons of Montreal and New York have planned deliberately a combination, charging excessive freight rates, thus hampering and almost strangling our promised trade in export cattle. We have in Canada a national railway, and a government merchant marine. We have the cattle suited to the British market, and in Britain we have a market. We have everything, indeed, to build up a great trade. Yet we are the victims of a combination of commercial blood suckers that are bleeding the farmers and live stock men white. The efforts of the government to relieve the situation is being watched with concern by the live stock breeders of Canada, and it is to be hoped that those efforts will meet with success. One very important phase of this agreement is that it takes no cognizance of the possible trade that will develop in the Orient; it seeks only to regulate the Atlantic rates. It was my privilege while attending the convention at Calgary this year to listen to an address delivered by Mr. Craig, Deputy Minister of Agriculture for Alberta, who spoke of the steps taken to develop trade with Japan. The government of Alberta has sent special commissioners over there, and I believe that the Canadian government also has trade agents in the Orient who also assist in that great work. The important fact was brought out by Mr. Craig

[Mr. Leader.]

that there is a market in Japan for our cattle. He told us the first shipment from Vancouver to Yokohama cost him $75 per head. He succeeded in getting a reduced transportation rate of $50 per head, and, by the way the ship that took the cattle over at $50 a head was one of the Canadian Government Merchant Marine. I asked him if they got good service, and he said everything was first-class and that the cattle arrived in good shape. The rate has been reduced to $37.50 a head, and everything points to a development of a great trade with the Orient. We now have even Japanese importers coming to Canada. I think one came two weeks ago and bought 250 head of cattle for export to Japan. I read in the papers a statement that another importer had purchased over 500 head for shipment to Japan. Therefore I believe there is a great possibility of building up a trade among the seething millions of the Orient. I was told, and I know it is a fact that the Japanese are a proud nation. They have found out by experience that they can increase the stature of their soldiers by feeding them on a meat diet, and no doubt they intend to eat more meat as well as flour in Japan.

A lucrative and prosperous live stock industry in this country will solve many of our problems. It will solve the problem of immigration which has been mentioned frequently to-night. If hon. members will forgive a personal reference, I will show them how that will increase employment and will increase the immigration to this country. A few years ago, as my father before me, I was a wheat miner, as we are termed. We did not keep any live stock on the farm outside of a cow or two which furnished us with milk and butter. Realizing that our farm must be built up on a system of mixed farming, we got a herd of cattle. Formerly I used to do the chores myself in the winter time, but since I made the change I employ two men all the year round, besides employing others in the busy season. The cattle industry will increase employment in this country, and a great industry can be established. I intended to deal with the possibility of utilizing the merchant marine to take care of this trade, but I fear I would weary the House if I took up more time. I just mention the fact that in going over the tonnage of the ships appearing in Hansard yesterday I find thirty-six of 8,000 tons register. These are almost as large as the Petersen ships. It seems to me the government might undertake to sell or lease these vessels to Sir William Petersen to engage in this trade,

rather than have him build new ships, because in that event our ships might be scrapped or tied up, and left lying idle in the harbour. I desire to state again that the people in western Canada and indeed in the whole of Canada are looking forward with great concern to this project, and we hope that the government will be successful in giving us relief from present excessive rates. I will withhold my support of this proposed legislation, Mr. Speaker, and adopt a policy of "wait and see."

Mr. CLARK moved the adjournment of the debate.

Mr. MACKENZIE KING: If the hon. gentleman wishes to occupy more than ten minutes, all right.

Mr. CLARK: I do.

Motion agreed to.

SUPPLY

Civil government—Public Works, salaries and contingencies, $689,655.

Mr. BOYS: Is it the desire of the minister to proceed very far to-night? As a matter of fact two or three members on this side of the House expected to be present when these particular estimates were under discussion, and if it is proposed to continue for any length of time I would like to communicate with these hon. members.

Mr. KING (Kootenay): I do not think we intend to go very far to-night. We might pass this item.

Mr. BOYS: I am quite aware there is no hard and fast rule, but there is a sort of understanding that, except for special reasons, the House will rise at eleven o'clock. One of our clocks shows twelve minutes to eleven, and another shows six minutes to eleven. It hardly seems worth while to proceed to eleven o'clock, but if we are going to sit till half past eleven or twelve I should like to get in touch with the members referred to.

Mr. KING (Kootenay): There is no intention of going on, under the circumstances.

Progress reported.

On motion of Mr. Mackenzie King, the House adjourned at 11 p.m.

Wednesday, March 4, 1925

The House met at three o'clock.

MESSAGE FROM THE GOVERNOR GENERAL

ACKNOWLEDGMENT OF ADDRESS

Mr. SPEAKER: I have the honour to inform the House that I have received a message from His Excellency the Governor General, signed by his own hand, reading as follows:

I have received with great pleasure the Address you have voted in reply to my Speech at the opening of parliament, and thank you for it sincerely.

BYNG OF VIMY.

Government House, Ottawa.

PRIVATE BILLS

FIRST READINGS

Bill No. 17, respecting the Alberta Railway and Irrigation Company—Mr. Jelliff.

Bill No. 18, respecting the Manitoba and North Western Railway Company of Canada—Mr. Stewart (Humboldt).

Bill No. 19, respecting patent of the Marconi Wireless Telegraph Company of Canada, Limited—Mr. Marler.

RULES OF THE HOUSE

PERSONNEL OF SPECIAL COMMITTEE TO CONSIDER REVISION

Right Hon. W. L. MACKENZIE KING (Prime Minister) moved:

That the following members do compose the special committee appointed to consider, jointly with Mr. Speaker, the advisability of revising the rules of this House, and to report to the House at this session, viz., Messieurs: His Honour the Speaker, Marcil (Bonaventure), Boivin, Euler, Gordon, Kyte, Bird, Kellner, Thurston, Wallace, Meighen, Ryckman, Bristol and Arthurs.

Motion agreed to.

REPORTS AND PAPERS

List of leases of wharves, piers and breakwaters, and statement of the amount of revenue and expenditure—Hon. Mr. Cardin.

Report of the Research Council—Hon. Mr. Low.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

STONY MOUNTAIN PENITENTIARY

Mr. ARTHURS:

1. Has Arthur Guest been appointed, either temporary or permanent, as steward at the Stony Mountain Penitentiary?

2. If so, on whose recommendation was the appointment made?

3. If so, was the position advertised in the usual way, and was the Civil Service Commission consulted about the appointment?

Hon. Mr. LAPOINTE:

1. Yes permanently appointed.

2 and 3. The position was advertised in the usual way and the appointment made by the Civil Service Commission.

GENERATION OF HYDRO-ELECTRIC ENERGY

Mr. McKAY:

How much hydro-electric energy, expressed in kilowatt hours and horse-power years, was generated by each of the power companies mentioned on page 404, of Hansard for February 23rd instant, (a) for export, and (b) for consumption in Canada, during the fiscal years 1919-20, to 1923-24, inclusive ?

Hon. Mr. LOW:

STATEMENT SHOWING AMOUNT OF ELECTRICAL ENERGY, GAS, OR FLUID GENERATED OR PRODUCED FOR EXPORT AND FOR CONSUMPTION IN CANADA, UNDER THE AUTHORITY OF THE ELECTRICITY AND FLUID EXPORTATION ACT, FOR THE YEAR ENDING 31ST DAY OF MARCH, 1920.

Name of Contractor and Place of Business	Units produced for export		Units produced for use in Canada		Total output of generating Station or other Source	
	K.W. hours	H.P. years	K.W. hours	H.P. years	K.W. hours	H.P. years
Canadian Niagara Power Company	203,601,550	31,174·04	371,071,450	56,523·96	574,673,000	87,698·00
Toronto Power Company	108,237,000	16,517·72	420,628,800	64,190·08	528,865,800	80,707·80
Ontario Power Company	319,362,000	48,736·25	674,306,800	102,902·55	993,668,800	151,638·80
Ontario and Minnesota Power Company	12,043,120	1,838·16	13,182,552	2,011·69	25,225,652	3,869·85
Cedar Rapids Power Company	282,225,000	43,079·70	222,420,500	33,942·49	504,645,500	77,022·19
Sherbrooke Railway and Power Company	273,696	41·78	9,890,952	1,510·17	10,164,648	1,551·95
Maine and New Brunswick Power Company	6,122,638	934·34	369,862	56·45	6,492,500	990·79
Western Canada Power Company	14,541,734	2,169·99	103,779,966	15,837·31	118,321,700	18,007·30
British Columbia Railway Company	354,780	54·13	86,650,420	12,225·39	87,005,200	12,279·52
West Kootenay Power Company	2,997,000	457·37	143,522,600	21,906·78	146,519,600	22,364·15
Totals	949,758,518	143,003·36	2,045,823,882	311,106·87	2,995,582,400	456,110·35

STATEMENT SHOWING AMOUNT OF ELECTRICAL ENERGY, GAS, OR FLUID GENERATED OR PRODUCED FOR EXPORT AND FOR CONSUMPTION IN CANADA, UNDER THE AUTHORITY OF THE ELECTRICITY AND FLUID EXPORTATION ACT, FOR THE YEAR ENDING MARCH 31, 1921.

Canadian Niagara Power Co	172,251,210	26,375·07	436,119,790	66,690·54	608,371,000	93,076·61
Elect. Development Co. of Ontario, Ltd.	102,884,000	15,724·08	547,819,100	3,830·06	649,703,100	100,554·14
Ontario Power Company	328,256,600	50,232·08	661,188,100	101,760·36	989,444,700	151,992·44
Ontario and Minnesota Power Co	15,805,451	2,418·54	13,315,819	2,037·22	28,704,725	4,465·66
Cedar Rapids Manufacturing and Power Co	364,432,000	55,766·50	222,757,000	34,537·00	587,189,000	90,313·50
Sherbrooke Railway and Power Company	281,038	43·02	6,325,616	967·81	6,803,654	1,011·83
Maine and New Brunswick Power Co	7,877,398	1,205·46	338,466	52·27	8,215,864	1,257·73
Western Canadian Power Co	21,626,236	3,309·32	116,028,394	17,824·40	137,654,630	21,133·72
British Columbia Electric Railway Company	375,678	59·03	111,781,141	17,101·90	112,146,819	17,160·93
West Kootenay Power and Light Company	5,774,400	883·62	166,449,000	25,470·37	172,223,400	26,353·99
Totals	1,019,564,011	156,016·72	2,282,122,426	350,271·93	3,300,456,892	507,320·55

STATEMENT SHOWING AMOUNT OF ELECTRICAL ENERGY, GAS, OR FLUID GENERATED OR PRODUCED FOR EXPORT AND FOR CONSUMPTION IN CANADA, UNDER THE AUTHORITY OF THE ELECTRICITY AND FLUID EXPORTATION ACT, FOR THE YEAR ENDING 31ST DAY OF MARCH, 1922.

Ontario Power Co	304,244,400	46,453	483,439,300	73,989	787,662,700	119,442
Toronto Power Co	102,122,000	15,629	553,463,500	81,703	635,585,500	97,332
Cedar Rapids Mfg. & Power Co	324,193,000	49,592	310,500	40,913	591,493,500	90,505
Can. Niagara Power Co	82,264,000	12,590	393,881,000	60,026	476,145,000	73,616
West Kootenay Power & Light Co	2,084,900	318	182,384,100	27,891	184,469,000	28,209
Western Canada Power Co	24,825,300	3,594	82,502,380	12,625	107,327,680	16,219
Ontario & Minnesota Power Co	12,729,010	1,939	12,254,149	1,873	24,983,159	3,812
British Columbia Electric Ry. Co	419,692	64	133,020,093	2,035	133,439,785	2,099
Maine & New Brunswick Electric Power Co	8,460,291	1,296	392,463	61	8,852,754	1,357
Sherbrooke Ry. & Power Co	252,200	36	5,391,730	826	5,663,930	862
Totals	861,594,793	131,511	2,114,039,211	301,942	2,955,623,008	433,453

STATEMENT SMOWING AMOUNT OF ELECTRICAL ENERGY, GAS, OR FLUID GENERATED OR PRODUCED FOR EXPORT AND FOR CONSUMPTION IN CANADA, UNDER THE AUTHORITY OF THE ELECTRICITY AND FLUID EXPORTATION ACT, FOR THE YEAR ENDING 31ST DAY OF MARCH, 1923.

Name of Contractor and Place of Business	Units produced for export		Units produced for use in Canada		Total output of generating Station or other Source	
	K.W. hours	H.P. years	K.W. hours	H.P. years	K.W. hours	H.P. years
Ontario Power Co.	295,849,500	45,276	448,768,700	68,696	744,618,200	113,972
Cedar Rapids Mfg. & Power Co.	356,795,000	54,587	308,110,000	47,123	664,905,000	101,710
Toronto Power Co.	103,922,550	15,895	518,031,000	79,249	621,953,550	95,144
Canadian Niagara Power Co.	244,948,750	37,490	294,466,250	45,064	539,415,000	82,554
West Kootenay Power & Light Co.	898,700	134	183,578,700	28,096	184,477,400	28,230
Western Canada Power Co.	32,457,700	4,964	113,706,100	17,399	146,163,800	22,363
British Columbia Electric Railway Co.	467,353	71	121,926,341	18,658	123,393,694	18,729
Ontario & Minnesota Power Co.	8,606,760	1,317	13,776,256	2,107	22,383,016	3,424
Maine & New Brunswick Power Co.	10,713,925	1,640	462,985	70	11,176,910	1,710
Sherbrooke Railway & Power Co.	212,347	35	7,100,413	1,086	7,312,760	1,121
Totals	1,054,872,585	161,409	2,009,926,745	307,548	3,064,799,330	468,957

STATEMENT SHOWING AMOUNT OF ELECTRICAL ENERGY, GAS, OR FLUID GENERATED OR PRODUCED FOR EXPORT AND FOR CONSUMPTION IN CANADA, UNDER THE AUTHORITY OF THE ELECTRICITY AND FLUID EXPORTATION ACT, FOR THE YEAR ENDING 31ST DAY OF MARCH, 1924.

SUMMARY.

Ontario Power Company	341,323,900	52,204	521,552,200	79,763	862,876,100	131,967
Cedar Rapids Mfg. & Power Co.	425,304,000	64,921	334,667,000	51,161	759,971,000	116,082
Toronto Power Company	222,215,400	34,087	516,584,440	79,052	738,799,840	113,139
Canadian Niagara Power Company	346,930,250	53,061	239,468,750	36,645	586,399,000	89,706
West Kootenay Power and Light Company	545,600	84	194,117,000	29,693	194,662,600	29,777
British Columbia Electric Railway Company	754,558	116	142,273,709	21,775	143,028,267	21,891
Western Power Company of Canada	40,531,531	6,200	101,942,069	15,590	142,413,600	21,790
Ontario and Minnesota Power Company	12,065,000	1,847	13,512,044	2,075	25,577,044	3,922
Maine and New Brunswick Electric Power Company, Limited	10,546,701	1,609	596,699	913	11,143,400	2,522
Sherbrooke Railway and Power Company, Limited	14,400	2	7,925,000	1,212	7,939,400	1,214
Totals	1,400,231,340	214,131	2,072,638,911	317,879	3,472,870,251	532,010

EDMUNDSTON CUSTOMS AND IMMIGRATION BUILDING

Mr. DOUCET:

1. What was the total cost of the customs and immigration building at International Bridge, Edmundston, New Brunswick?

2. Were tenders called for the erection of said building?

3. Who were the tenderers and what was the amount of each tender?

4. To whom was the contract awarded?

5. What was the amount paid for extras apart from the contract price?

Hon. Mr. KING (Kootenay):

1. $3,771.94.

2. Yes.

3. L. A. Dugal, Edmundston, $3,360; J. R. Lebel, Edmundston, $3,950; J. and D. A. Harquail, Campbellton, $4,080.

4. L. A. Dugal, Edmundston.

5. $400 to contractor; $11.94 to Wm. Turgeon.

COMBINES INVESTIGATION ACT

Hon. Mr. STEVENS:

1. Pursuant to section 3, chapter 9, 13-14 George V. (Combines Investigation Act), has a minister of the crown been charged with the general administration of the act?

2. If so, what minister has been so charged?

3. Has there been a case up to February 25, 1924, where the minister of his own motion, as empowered by section 6, chapter 9, 13-14 George V, directed the registrar to enquire whether any alleged combine exists?

Hon. Mr. KING (Kootenay):

1. Yes.

2. Minister of Labour.

3. Yes, inquiry by the registrar in several cases has been authorized.

PENSIONS TO ABENAKIS

Mr. DOUCET:

1, What was the total amount paid in pensions to the Abenakis by the government, for the fiscal years of 1921-22, 1922-23, 1923-24, 1924-25?

2. What merchants of Pierreville supplied goods to the above pensioners and in what years?

3. What was the total amount supplied by each merchant for each year?

4. Is the government aware that said goods are supplied to the Abenakis without tenders being asked?

Hon. Mr. STEWART (Argenteuil):

1.

1921-22	$ 612 16
1922-23	1,022 10
1923-24	1,322 52
1924-25	1,497 43

2. D. & A. Laperriere, 1921-22, 1922-23, 1923-24, 1924-25; A. Plamondon, 1923-24; Shooner & Co., 1921-22, 1922-23, 1923-24, 1924-25.

3.

	D. & A. Laperriere	Shooner & Co.	A. Plamondon
1921-22..	$ 214 63	$397 53	....
1922-23..	734 00	288 10	....
1923-24..	1,125 50	192 11	$4 91
1924-25..	1,343 32	154 11	....

4. Tenders are not called for as the purchases in each individual case are small, the relief extended amounting to $1.50 to $3 per week according to the size of the Indian's family.

QUESTIONS PASSED AS ORDERS FOR RETURNS

APPOINTMENT OF COMMISSIONS

Hon. Mr. MANION:

1. How many royal commissions have been appointed by the present government?
2. What is their personnel?
3. What has each cost to date?

PORK—IMPORTATIONS AND RE-EXPORTATIONS

Mr. ANDERSON:

1. What amount of pork was imported into Canada from the United States during the calendar years 1923 and 1924, in pounds and dollars respectively?
2. What amount of this pork was re-exported to England and what price was received for it?
3. How was it prepared in Canada for re-export?
4. Is it sold in England as Canadian pork, and, if not, how is it differentiated from the Canadian product?

MILITARY DISTRICT NO 10—COAL INQUIRY

Mr. ROSS (Kingston):

1. What was the total cost of the investigation lately conducted by David Campbell, K.C., of Winnipeg, into the supplies of coal and other matters affecting military district No. 10 and
2. Have any suspensions of militia officers been made as result and if so what officers have been suspended, if any?

Mr. ARTHURS:

1. What was the total cost of the commission appointed by the government regarding the coal inquiry at Tuxedo barracks, Winnipeg?
2. What amount did the commissioners receive?
3. Has the government received any objection as to the amount paid from Winnipeg or elsewhere?

BOOTS AND SHOES—SALES, ETC.

Mr. DENIS (St. Denis):

1. What was the total value of boots and shoes sold in Canada during each of the years 1914, 1918, 1920, 1921, 1922, 1923 and 1924?
2. What was the total value of said goods imported from the United States, England or other countries for the above mentioned years?
3. What was the total value of said goods exported to the United States, England or other countries for above mentioned years?

[Mr. C. A. Stewart.]

YUKON GOVERNMENT OFFICIALS—INCOME TAX EXEMPTION

Mr. BLACK (Yukon) moved:

For a copy of all correspondence, documents, statements and communications concerning exemption or partial exemption from payment of income tax on payments or remuneration, whether paid as salary, living allowance or otherwise, by the government of Canada to officials of Yukon Territory, and showing what exemptions (if any) from income tax have been allowed to Yukon officials on amounts paid them by the government of Canada during the past seven years.

He said: When the motion came up a few days ago the Minister of Customs asked me to permit it to stand. I have not heard from the minister since that time, and I think the motion should be allowed to stand.

Motion stands.

VANCOUVER—WATERFRONT PROPERTY

Mr. GEORGE BLACK (Yukon) moved:

For copy of all letters, telegrams, documents and correspondence, between January 1, 1922, and February 25, 1924, between R. H. Gale and any minister or official of the Dominion government; and, between R. H. Gale and the Vancouver Harbour Commission, and between Vancouver harbour commissioners and any minister or official of the Dominion government; and between any representative of the Spillers interests and the harbour commissioners, and, or any minister of the crown and official of the government, regarding the negotiations for lease or sale of certain waterfront property in the Vancouver harbour, upon which is now erected what is known as the Spillers elevator, and which property lies immediately east of the Vancouver harbour commissioners elevator No. 1. Also, copy of any letters, agreements schedules of fees, assignments, transfers, and other documents appertaining thereto.

Hon. P. J. A. CARDIN (Minister of Marine and Fisheries): I do not rise for the purpose of making formal objection to the motion, but I am informed by the officials of the department that it is the first time that an order of the House has been requested for the production of papers or correspondence exchanged between the commission and private individuals. I am not quite clear as to whether this is the practice, and I would like to inform myself on that point. Will the hon. member let the motion stand, and I will ascertain if it has been the practice to make the correspondence between the department and individuals public property.

Mr. BLACK (Yukon): I have no objection to the motion standing, although I do not think the subject matter is open to objection.

Motion stands.

CURRENCY AND CREDIT

MOTION, MR. WOODSWORTH, AGAINST GRANTING PRIVILEGE TO CORPORATIONS

Mr. J. S. WOODSWORTH (Centre Winnipeg) moved:

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.

He said: I recognize that it requires considerable temerity to bring forward a resolution of such a far-reaching character as the one I have just moved. The House has considered from year to year for a good many years the tariff question in this country. Yesterday considerable time was devoted to the alleged North Atlantic combine. And yet I venture to say that this resolution strikes at a far more fundamental problem than either of these and one which, I venture to say, will in the future of Canada occupy a much more prominent position. I call attention to the terms of the resolution. I can quite understand that it it would be in the interests of the banks or the Canadian Bankers' Association that things should remain as they are; but the question as to whether it is in the interest of the public at large is an altogether different matter. This resolution was on the order paper last year, but it was not reached. It is purposely negative in form. Many schemes might be advanced as desirable substitutes for the existing system, for example, national banks, or provincial banks, or a central reserve bank, or the development of co-operative banks, or some one of the many new financial systems which have been discussed. I am not venturing into any of those fields to-day. These schemes may be discussed at some later period or possibly to-day by other speakers. I propose to confine my remarks to an examination of the system as it now exists. It seems to me that the first step is to show the injustice and inefficiency of the existing system.

This undoubtedly involves a discussion of the question of money itself. Though technical, this is intensely practical. Every man handles more or less money, very often less, but few of us stop to think anything about it.

Modern industry and civilization are based very largely upon the exchange of surplus products. In the old days a man consumed what he himself produced. Later on, when he produced more of one commodity than he required for himself, and his neighbour produced more of another commodity than he required for himself, there was possible an exchange, and thus barter sprang up. Nowadays, this exchange is carried on by means of money, and I take it that fundamentally money is a ticket system to facilitate distribution or exchange. We so frequently think in terms of money that sometimes we do not pause to remember that money in itself is not wealth: that it merely represents wealth. This is true even of gold money as money. It is not wealth as money; it simply represents wealth. We have a good deal to say with regard to production in this House. I would remind the House that after all the end of our present economic system is not essentially production, it is consumption. We work in order that we may enjoy, but unfortunately the productive end, and behind that the distributional end of our system, has gained such an ascendency that it has dominated everything else. In this country, if we looked at matters from the right angle, we would recognize that we can here produce sufficient to meet the needs of the people, we would realize that the problem essentially is one of distribution rather than one of production. As Viscount Milner says in his book, Questions of the Hour:

So long as the things themselves could be procured in adequate quantities, the counters for dealing with them would always be forthcoming.

That is coins, money, whatever form money takes, are essentially simply the counters by means of which we effect the process of distribution.

Mr. SPEAKER: In justice to the hon. gentleman, I would ask hon. members kindly to stop talking in order that his remarks may be heard.

Mr. WOODSWORTH: Since money has come to be the measure of all other commodities, the question of money, its value and control, is basic. I would suggest that in ordinary commerical life whoever controls the size or weight of the pound practically determines the value of everything that goes over the scales; that whoever has the custody of the yardstick and can extend and contract that yardstick has very effective control over all selling operations.

After the earliest primitive times, when almost any commodity might be used as money—shells, beaver skins and similar objects —the world as a whole settled down to gold as the standard, the recognized money. All our text books on economics will tell the reason why gold was found specially suitable, its rarity its even quality and so on. I need not go into that here, and the fact that we have certain subsidiary coins such as silver, need not enter into this discussion. Gold, in most civilized countries, became the standard of value, but gradually within comparatively

modern times, another kind of money was introduced, that is, bank notes. We are so accustomed to these bank notes or bills, as we ordinarily call them, that we have forgotten that their introduction is comparatively recent and that they represent an altogether new conception of money. Walker, the economist, said in one place many years ago:

Money is that money does.

Whatever performs the function of money is really money, and according to that bank notes are in reality money. We may recognize three stages through which bank notes have passed. First of all, they actually represented gold—there was as much gold as there were bank notes. Then it was found by the bankers that it was quite possible to issue a larger quantity of paper than there was a supply of gold. It was found in practice that only a few people demand gold, and that as long as general confidence could be maintained a small reserve of gold was sufficient. That stage is what we know as the gold basis. That is, there was on hand simply a sufficient supply of gold to meet the demand, not a sufficient supply of gold to cover all the paper that was in existence. Then we reached the third stage in Canada within the past ten years when bank notes became irredeemable. I do not think the majority of the people of Canada have yet learned that that is the case, but since the war broke out bank notes have not been redeemable. That is the present situation.

We have, however, in still more recent times, had added to the gold money and the bank note money a third kind of money, that is, cheques. Many people, perhaps, have not been inclined to think of cheques as being in reality money, and yet, some of the leading economists and bankers recognize that as being actually the case. To-day some ninety-six per cent of the business of Canada is done through the checking system. That was the statement given in the evidence offered to us two years ago in the Banking and Commerce committee. I am not putting forward this statement that cheques are money on my own authority. No less an authority than the Right Hon. Sir Reginald McKenna gave this statement:

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 to-day, according to eminent bankers and economists, we have three kinds of money: gold money, which is almost non-existent in Canada; paper money in the form of bank notes, and bank cheques.

[Mr. Woodsworth.]

We are of course still more or less in bondage to the fetish of the gold standard. In the Speech from the Throne it was foreshadowed that there might be an attempt to return to the so-called gold standard. But I would urge that if we have been able to get on without the gold standard for a period of ten years it is possible we might be able to get on without it for at least another ten years. Indeed, I am rather inclined to think, and this on the authority of some of the leading bankers of Great Britain, that it might be a decided mistake to return to the gold standard at all, a mistake, that is, in so far as the great mass of the people are concerned, though it might very well play into the hands of a comparatively small group. I would point out, taking an ordinary illustration, that it is quite conceivable that we could get along without gold as a medium of exchange. For example, the farmers in the west grow wheat; the manufacturers of Montreal make boots; is it absolutely necessary that we should send men into the wilds of northern Ontario to dig out gold and convert it into coin in order to enable the farmers of the west to exchange their wheat for the boots manufactured by the men in Montreal? As a matter of fact, even gold itself it not a fixed standard to-day. As Mr. Keynes points out, although until the war gold more or less perfectly performed the functions of a regulator. it is itself regulated to-day. I would read to the House two or three paragraphs from that very thought-provoking book of Mr. J. M. Keynes, Monetary Reform:

But the war has effected a great change. Gold itself has become a "managed" currency. The West as well as the East, has learnt to hoard gold, but the motives of the United States are not those of India. Now that most countries have abandoned the gold standard, the supply of the metal would, if the chief user of it restricted its holdings to its real needs, prove largely redundant. The United States has not been able to let gold fall to its "natural" value, because it could not face the resulting depreciation of its standard. It has been driven, therefore, to the costly policy of burying in the vaults of Washington what the miners of the Rand have laboriously brought to the surface. Consequently, gold now stands at an "artificial" value, the future course of which almost entirely depends on the policy of the Federal Reserve Board of the United States.

* * *

If the Federal Reserve Board intends to maintain the value of the dollar at a level which is irrespective of the inflow or outflow of gold, what object is there in continuing to accept at the mints gold which is not wanted, yet costs a heavy price? If the United States mints were to be closed to gold, everything, except the actual price of the metal, could continue precisely as before.

* * *

We have no ready-made standard. Experience has shown that in emergencies ministers of finance cannot

be strapped down. And—most important of all—in the modern world of paper currency and bank credit there is no escape from a "managed" currency, whether we wish it or not;—convertibility into gold will not alter the fact that the value of gold itself depends on the policy of the central banks.

One of Mr. Keynes's critics, Professor Gustav Cassel, in a paper read to the Institute of Bankers in London on June 11, 1924, makes certain far-reaching admissions. He says:

> The gold standard can no longer be regarded as an absolutely objective standard outside every political discussion. The present value of gold is very much dependent upon the purchasing power of the dollar, and this can by no means be said to be fixed objectively by the value of gold. It is easy to see that the United States, by slightly altering their monetary policy, could keep their general level of prices somewhat higher or somewhat lower, and thereby give the metal gold a lower or a higher value than that which it actually has. In other words, there is no objective necessity in the present level of prices in the United States and neither, therefore, in the present value of gold.

Now, if money is the measure of all other commodities, what determines the value or, better, the purchasing power of money itself? What determines the purchasing power of any particular coin such as the dollar? We tried to get some statement on this matter from Sir Frederick Williams-Taylor during the inquiry before the Banking and Commerce committee two years ago. Sir Frederick did not appear to have any scientific or economic knowledge of the money situation; in fact, he himself said that he was simply a practical banker. I can understand that a practical electrician is quite capable of making ordinary repairs about a house; he can connect wires and do work of that kind. But when there is some fundamental problem confronting the city such as electrolysis, brought about by say, the operation of the street railways, we are driven to call in a scientist and try to get below the apparent difficulty in order to find out what the basic trouble really is. In other words, we must have some theory upon which to work. Let me read to the House some questions which I asked Sir Frederick during the investigation to which I have referred, together with the answers he made.

Q. What then determines the value of money itself? —A. The ability of the holder of that money to convert it into gold.

Q. Since we cannot convert it at the present time into gold, what determines its value?—A. It is accepted with confidence throughout the whole community and answers the purpose equally well. Is that your answer?

Q. It is in part; that is as to whether it has value. But it does not decide as to what its particular value is. Has the quantity anything to do with it?—A. Has the quantity of the money anything to do with the value? Not if there is a sufficiency of gold behind it.

Q. But now that we are not on the gold standard, has the amount of money in circulation anything to do with its value?—A. That amount of money in circulation is in strict accordance with the requirements of the country under our very admirable currency laws.

Q. Then the amount has something to do with its value?—A. There is no excess of money in the community. Automatically the circulation of the banks is retired every day, beyond the requirements of the people who wish to carry money in their pockets.

Q. Do credit instruments such as cheques not act or function as money?—A. Yes.

Q. Then would you not say that at any given day there might be a very much larger amount of money in circulation than there had been the day previous? —A. It varies constantly, of course.

Q. Then in accordance with the variation that would lead to a change or a variation in the value? —A. According to what?

Q. According to the amount in circulation the value would be altered?—A. Not necessarily.

Q. Then if we doubled the amount, as referred to in the matter of Germany or Austria or any of the European countries, would not that affect its value?— A. Absolutely, because there they have fiat money, irredeemable.

Q. Then the quantity does affect the value?—A. The quantity affects the value in those circumstances, where there is no proper basis for the money, which is not real money but paper money.

Q. We have no gold basis to-day?—A. Yes, we have. We have a very excellent basis.

Q. A gold basis?—A. We are not on a gold basis strictly speaking at the moment.

Q. Well, on the basis on which we are, what determines its value?—A. What determines the value of money is the confidence in that currency by the people of the community passing it from hand to hand without question.

Q. Supposing we should arbitrarily lessen the amount of all kinds of money in circulation, would not that affect the prices of all kinds of commodities?—A. But we are not going to do anything of that kind, are we?

Q. But if I understand you aright you say the amount of money in circulation, taking all sections of the country, does fluctuate from time to time?— A. It fluctuates in strict accordance with the requirements of the trade of the country and for no other reason.

Q. And you would not say that that has a relation to the price of commodities?—A. It has only this relation, that if the prices of commodities rise, then more money is required.

Now, in contrast to these answers of Sir Frederick Williams-Taylor, I beg leave to give the quantitative theory as stated very concisely by Professor Taussig in his Principles of Economics:

> 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.

I do not profess to be a profound economist, Mr. Speaker; I must go to the economists for their statements of these scientific facts; but if it is true that the quantity of money has a very decided effect on the value or purchasing power of any particular piece of money, then I say it is fundamental that someone

should control the quantity of money. How is that regulated to-day? Well, with regard to gold, it depends very largely upon the production of the gold mines. If we discover a new gold mine, or invent some improved methods of production, gold is produced in larger quantities. That is when gold was the standard, the quantity was dependent upon natural resources and upon labour. In the case of paper money, the quantity is not dependent upon labour or upon natural resources, it is entirely dependent upon the printing press, as we saw in Europe during the war. This is under the control of the government. The banks may actually issue all bills over the one and two dollar denominations, but at least the maximum amount of issue is controlled by the government itself.

But what about this third kind of money? And this shows the importance of laying our foundations correctly. Is the third kind of money which I mentioned a few moments ago, that is, credit instruments, subject to the same law of money? Some of the economists say that it is. If that is so the results are very far-reaching. The issue of credit instruments is dependent upon the banks, and the banks alone. They have a practical monopoly of the control of credit. Then we have arrived at this position. 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. Need I illustrate again that if we are using scales, and somebody is able to make the pound weight weigh either fourteen ounces or eighteen ounces instead of sixteen, he is able to control the value of all the groceries that pass over the scales at the other end. Mr. John A. Todd, an economist of recognized standing, makes this statement:

> One thing is clear as the result of our war experience: There is no use trying to control a country's currency system unless you can include control of its credit system. No matter how strictly controlled the currency may be, if the credit system is allowed to expand ad lib it may produce inflation just as certainly as the most unlimited expansion of the currency, as for example Germany in recent months.

That was in 1923.

Mr. FORKE: I hardly understand what my hon. friend means by his statement that the man who controls the pound controls all that passes over the scales. What effect will that control have on goods passing over the scales weighed by a different weight?

Mr. WOODSWORTH: My illustration was this: If I have a scale, evenly balanced, sixteen ounces to the pound, I get sixteen ounces of say, sugar at the other end. If I should in some way dig a hole into the pound weight so that it now weighs in reality only fourteen ounces, I would get only fourteen ounces of sugar at the other end; if, on the other hand, I should plug that hole with lead so the pound weight now weighs eighteen ounces, I would get eighteen ounces of sugar at the other end. Is that clear?

Mr. FORKE: Yes.

Mr. ROBB: How would the man who bought the sugar and resold it to you be affected?

Mr. WOODSWORTH: It would surely make considerable difference whether I was getting fourteen or eighteen ounces to the pound. In practice it means that the individual who has the dollar receives only 50 cents worth of goods, and that is precisely the difficulty to-day.

As to the evil influences of inflation and deflation, I cannot do better than quote from the evidence given by Mr. Irving Fisher before the Banking and Commerce committee two years ago. He said:

> There is always someone who gets rich as a consequence of inflation or deflation, and gets rich as a parasite, off of other people. It is not his fault. You cannot help being a profiteer, when prices are rising, if you happen to be in the position of a profit taker, because the profits just fall into your lap. Of course, you may be more extortionate than other people but you may do that when prices are falling. Your nature has not changed simply because prices are rising, but your opportunity has changed. And when prices are falling, in the same way the bondholder gets an advantage, but it is not his or her fault; he is simply reaping what has been sown in the unstable dollar.

And again:

> The evil then is one of social injustice, of picking the pockets of some people, to the benefit of other people. It is the same kind of economic evil as robbery is, and in appearing before a congressional committee, which is considering this same subject in Washington, and has a bill before it to stabilize the dollar in accordance with a particular plan that I have in my book, which your chairman has referred to, Professor King of the National Council of Economic International Research, who appeared in favour of that bill, said he had made a rough estimate of the actual amount of wealth which had been unjustly transferred through the change in the purchasing power of the dollar during the last few years, namely the war and the after-war period, and he believed that it was not less by any calculation that he could make, than forty billion dollars in the United States. Then he said, if there had been a forty billion dollar robbery, which would have amounted to the same thing, the people of the United States would have been considerably excited over it, but this picking of the pockets has been so slyly done that all that the person who has lost can see is that in a vague way he can identify the class that has got what he has lost, and he naturally accuses that class

of having intended to steal it, whereas as a matter of fact it is an inanimate object, the dollar, or the price level, which has done the stealing.

Now I come to the very practical question: Who in Canada to-day regulates the quantity of money? And I use this term "money" in the sense that Sir Reginald McKenna uses it: All currency in circulation among the public and all bank deposits drawable by cheque. I submit that the banks to-day very largely control the quantity of money. They do so either directly through the giving or withholding of credit or in their control over government policy. We had a very interesting admission by Sir Frederick Williams-Taylor in regard to the policy of deflation. The hon. member for East Calgary (Mr. Irvine), quoting from an article which appeared in the Monetary Times of January 7, 1921, under the caption "Leading Bankers forecasted Tightening of Credit," asked Sir Frederick:

Q. This is an excerpt: "With reference to current loans in Canada your directors have felt impelled for many months past in the bank's and in the country's best interests to follow the policy found essential in every other country, and keep within bounds our advances to merchants and manufacturers. This policy is in accordance with the views of the Dominion government and it has been followed more or less closely by all the Canadian banks. Naturally enough, exception has been taken in certain quarters to such restriction, but as a rule our customers have recognized the necessity of checking over-trading and further expansion in such times as we are now facing." That is an acknowledgment of the point that I had at issue, that the bankers had taken an active part in the deflation of credit, is it not? A. That statement I think was quoted from my annual address to the shareholders in December.

Q. That is right? A. And that is strictly in accordance with the facts.

Sir HENRY DRAYTON: What year was that?

Mr. WOODSWORTH: This was in 1921. I quote further:

Q. What effects do you think deflation of credit would have upon manufacturers, for instance, or business generally? A. The deflation of credit that took place at that time was in the interests of the manufacturers as well as of the banks and the community at large.

I think it is very generally acknowledged, Mr. Speaker, that that policy was a serious mistake and we are still suffering from the effects of it in Canada. The manufacturers, according to Sir Frederick Williams-Taylor, were quite willing that this should be done. He suggested that it was in the interests of the manufacturers, but I think that a good many of our manufacturers are coming to learn that it was decidedly not in their interests. Last year the Federation of British Industries, to which more or less our Canadian Manufacturers' Association corresponds, in its bulletin of the 30th October, 1923, considers, according to a summary which appears in the International Labour Review of January, 1924.

—that the deflationary policy in Great Britain and the consequent fall of prices during 1920-1922 were the cause of: dislocation of trade and severe losses to all holders of stocks and commodities, and to all who trade on borrowed money, that is, practically to the whole commercial and industrial community; a severe check to export trade; an increase in the burden of internal debt; and severe unemployment.

An alternate policy was suggested by the Right Hon. Reginald McKenna at the June meeting of the shareholders of the Midland Bank. This was reported in the London Times of January 26, 1924, and

4 p.m.

I am glad to say was reproduced in Toronto Saturday Night, some months later. I quote:

To define monetary policy in few words I would say that it is the policy which concerns itself with regulating the quantity of money.

And again:

Gold coin is no longer minted, and additional paper currency is not issued except to meet the demands of the public. . . . . The amount of money in existence varies only with the action of the banks in increasing or diminishing deposits. . . . . Every bank loan and every bank purchase of securities creates a deposit. . .

And again:

People often talk about money going abroad, or of foreign money coming here, but as a fact, when gold is not in use, money is incapable of migration. . . . . No exchange transaction, no purchase or sale of securities, no import of foreign goods or export of our own can take money out of the country or bring it here. Bank loans and their repayment, bank purchases and sales, are in substance the sole causes of variation in the amount of our money.

And again:

When national output is below productive capacity, the policy should be to let money out; when production is at a maximum, the outflow of money should be checked, and if inflationary symptoms have appeared, money should be withdrawn.

And again:

Whatever name we give to this expansion of credit, it is indispensable to the proper functioning of our commercial system, and is imperatively needed when trade is deferred and unemployment general.

I should like to quote in this connection a paragraph from Mr. J. A. Hobson which shows very clearly the connection between inflation and the war debt:

The connection between the inflation which the governments and banks conspired to produce and the magnitude and ownership of the war debt is not obscure. The "money" which the governments got by printing notes, by borrowing from banks, or by inciting banks to give credit to customers in order to increase subscriptions to war loans (all pure inflation), they spent in buying goods and services. Thus prices and profits mounted up the faster, because this easy way of getting money made governments more careless in the rates they paid for what they

bought. The immense and rapid profits due to the expanding prices, with a lag of wages and a virtual elimination of competition—the recipients invested in war loans, the only authorized and available investment.

I should like particularly to direct the attention of both the Acting Minister of Finance (Mr. Robb) and the Minister of Labour (Mr. Murdock) to a very illuminating article on Bank Credit and Unemployment published in the International Labour Review for January 1924. That publication is issued by the International Labour Office which is connected with the League of Nations. It points out:

There is a growing school of economists whose attention is mainly directed toward the possibility of stabilizing industrial activity by judicious regulation of the bank credits upon which industry is largely dependent.

....The summarized results of all the above evidence would appear to be that banking policy should be directed toward regulating credit, not as before the war, in accordance with the amount of cash reserves held, but rather in accordance with the requirements of industry as determined by the employment index and the movement of prices.

I submit that our government is still proceeding on the theories that were prevalent and were considered to be sound before the war but that the war has made an entire change in the whole financial system and that it is high time that we gave a little more attention to the far reaching effects of that change. I urge that the large measure of control of currency and credit, by private corporations now existing must not continue. It is not safe to leave such wide powers in private—and, shall I say without offence—irresponsible hands, that is in the hands of those without responsibility to the people at large.

May I in a few words review the existing privileges of Canadian banks? In the first place they control and use the peoples' savings, taking them at three per cent and giving them out at eight or ten. Secondly, they have what I might call the franchise of issuing currency, which enables them to double their capital. Thirdly, they have virtually a control of credit—they can give or withhold and thus they can make or unmake any business in this country. Revelations of what went on in connection with the Home Bank have been a severe shock to the public at large, yet I think careful study will show that a great many of the practices prevalent in connection with the operation of the Home Bank, and which so shocked the public, are common with many of our banks. We are constantly meeting such instances as this—I quote from a despatch from New York dated July 23 last:

[Mr. Woodsworth]

Steps to end what local newspapers describe as the "binder twine trust" were taken to-day by Attorney General Stone at Washington, when action was begun to dissolve the Sisal Sales Corporation as a trust, in violation of the anti-trust laws. Among the defendants named in the suit besides the corporation was the Royal Bank of Canada.

This is not an isolated example by any means. These banks are engaged in business not only in Canada but in the United States and other parts of the world, and they are able to manipulate the savings of the people to their own ends. Further than that, the banks have great power, as we have pointed out on other occasions, through their interlocking directorates, as a result of which the directors of a bank are interested in a great many of the industrial and commercial enterprises of the whole country. But their really great power comes, not through the interlocking directorates, not through the issuance of currency, but essentially through their control of credit which gives the banks the power to inflate or deflate. Through this power they derive profits in both ways. The operation may be compared to the working of a pawnbroking establishment. You bring your goods to the pawnbroker, and he may charge a very exorbitant interest on the loan. If you fail to pay his charges he retains the goods which have been pledged. Thus he has either the exorbitant charge or he has the goods. The same thing is true with regard to banks, as a good many of our western farmers are beginning to find out.

There is one other power which the banks have in Canada, and that is that they very largely do the government financing. It is not my purpose to go into this matter at this stage, but we all recognize that these great flotations are very largely made through the banks, the government fearing for some reason or another to undertake to finance direct. I should like to quote a paragraph or so from a little pamphlet which came into my hands not long ago. It is written by Mr. H. C. Cutting who states the situation with regard to credit very concisely. He says:

Now then, since our troubles are caused by the fluctuation in the value of the dollar, it stands to reason that if our system of credit issue could be changed so that the volume of available credit would be controlled by the demands of business, instead of by a board or the personal interests of the bankers, there would then be no fluctuation in the value of the dollar and the uncertainties, worries and losses that now harrass the business world would be at an end.

The report of the comptroller of the currency of the United States shows that 99 per cent of our entire medium of exchange is bank credit. It is practically our only money. It is issued by the banker through making a loan. We speak of borrowing money at the bank, but, in reality, we do not borrow money—we borrow the bank's credit, or, rather, we

exchange our private and less known credit for the bank's better known credit.

If the banker grants the request for a loan, he gives the borrower credit for a deposit, discounts a note for him, or takes an acceptance, which are but different ways of doing the same thing. In every case it is simply an exchange of bank credit for private credit. To illustrate: If the banker sees fit to make the loan, he takes the note and security of the borrower, gives him credit for a deposit in his pass-book and on the books of the bank. The borrower uses this credit as a medium of exchange by means of a cheque. It can be turned into what we call money by cashing a cheque—but our paper money is only another form of bank credit, so that about 99 per cent of our medium of exchange is created and controlled by bank loans. The bank therefore has assumed the functions of the mint. It issues our money.

That is the essential point. We have on our statute books old laws that make coining one of the worst crimes imaginable and the penalties are very severe, and yet, to all intents and purposes, the banks to-day are doing coining—they have taken out of the hands of the government the power of issuing the great part of our money.

We have seen here in Canada, perhaps more than in most countries, the steady concentration of capital in the hands of a few. We have our bankers association, and in recent years we have had bank merger after bank merger. Why should not the government democratically control this money situation rather than allow a group of a dozen men who are not responsible to the people to do so? We have now government supervision and inspection. We have the advocacy of government guarantee of deposits. Here I quote a few sentences from the Vancouver Sun:

This bank consolidation should be followed by a government announcement that in future the security of all bank deposits will be government guaranteed, just as note circulation is to-day guaranteed. When a Canadian bank goes out of business, its note circulation starts to carry 6 per cent interest until it is fully paid. When that same bank goes out of business, the depositor starts to figure—not whether he will get 6 per cent on his deposits, but whether he will get 6 per cent of his deposits.

From all over this country demands are coming that the government should go much further than it has in the past. Why not take the next step and effectively control our currency and credit? Money itself is of the nature of a public utility. In the old days our roads were more or less controlled by private individuals. Some of us remember in childhood days passing along a road and having to stop every little while at a toll gate to pay for our use of that road. Those who constructed the roads took toll, and I presume they charged all that the traffic would bear. Now our roads are managed by the people, and they are given to the people at the cost of service. Why not the same advance in the case of money? Here in parliament, we may pass legislation, but so long as there is economic control outside these halls our legislation will be largely nullified. Mr. Lloyd George, with whose opinions I am afraid I do not very frequently agree, made a very significant statement several months ago at the time of the issuance of the Dawes report. He said:

Agreement would never have been reached without the brusque and brutal intervention of international bankers. They swept statesmen, politicians, jurists and journalists all on one side, and issued their orders with the imperiousness of absolute monarchs who knew that there was no appeal from their ruthless decrees. This settlement is the joint ukase of king dollar and king sterling.

Thus we face the larger question as to whether or not parliament is to be sovereign, as to whether or not the people are to be sovereign, or whether we have not had our liberties filched from us without most of us having been aware of what has taken place. Many advocate the breaking of monopoly. 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.

Mr. M. N. CAMPBELL (Mackenzie): Mr. Speaker, the Right Hon. Reginald McKenna, former Chancellor of the Exchequer of Great Britain, has said that:

Those who control credit direct the policy of governments and hold in the hollow of their hand the destiny of the nation.

If anything were necessary to prove the truth of the above assertion, it is supplied by the effects of the drastic deflation of the currency which in the fall of 1920 was carried out concurrently in Great Britain, the United States, and Canada. The almost immediate effects were a general stagnation of business and unemployment that totalled 2,000,000 people in the British Isles and nearly 6,000,000 in the United States. In Canada it has resulted in the ruin of tens of thousands of farmers, business men, and manufacturers; it has been responsible for the exodus of hundreds of thousands of our best working people to another country; and it has set the clock of our country's progress back for a generation.

The masses are being told that present economic conditions are a result of the war. I often think that in their private moments of devotion members of an exploiting class must give thanks to heaven that there was a great war since they find in it such a con-

venient means of passing responsibility from their own shoulders. It cannot be denied that the period during which the greatest inflation of the currency occurred was the two years immediately following the war. In September, 1920, the current bank loans in Canada reached the amount of $1,417,520,756 and in October, 1920, the Bank note circulation touched the highest point recorded in the history of Canada, being $249,165,000. There was a gradual incline in the current loans and the note circulation from November, 1918 the month of the armistice, until the peak of September and October 1920. This period of inflation subsequent to the armistice was responsible for a gigantic agricultural development in western Canada as is shown by the fact that the acreage under cultivation in the prairie provinces in 1918 was 30,398,000 acres, but had increased to 38,614,000 in 1921, the greatest agricultural expansion that had ever taken place in Canada in a similar period of time. The farmers were appealed to by provincial and Dominion governments, by banking, manufacturing and commercial men to increase production to the utmost limit, the ostensible object being to pay off the war debt. Concurrently a great commercial and industrial expansion took place in eastern Canada such as this country had not previously known. There was no unemployment; manufacturers, business men, and farmers were alike prosperous. Prices were high and measured in terms of wages, of farm or factory products, the payment of our war debt offered no serious obstacle to continued prosperity.

Then in the fall of 1920, came the deflation that, according to many economists, has caused more misery and suffering and probably more actual deaths than the great war. It is contended by some of the disciples of the orthodox system that it was the deflation of business that caused the deflation of the currency, but this is not taken seriously by any economists of note.

In the three months' period from October, 1920, to January, 1921, the bank notes in circulation were reduced by $43,000,000, and by June 30, 1921, by a further $10,000,000. When it is considered that a great deal of extra money is needed to handle the crop during this period, the deflation is very much greater than is indicated by these figures. In the ordinary course of events the banks would have issued $20,000,000 extra paper as permitted by law to handle the crop, in addition to using up more of their own reserve currency. It is, therefore, reasonable to suppose that the actual deflation was in reality not less than $75,000,000. Due to the elasticity of our credit system, the banks usually show loans to the extent of three or four times the total amount of money in existence. The skrinkage in the circulation medium of $75,000,000, would, therefore, mean the curtailing of loans to an extent probably several times $75,000,000. There was a steady shrinking of the bank note circulation from October 1920 until we reach the low water mark of January 1923. The net withdrawal from October, 1920 being $97,000,000, or two-thirds of the total bank note circulation.

I have here a report of the Bureau of Statistics which shows the estimated wealth of Canada at the close of the year of 1920 and also for 1921.

These figures would indicate that nearly $300,000,000 of our national wealth disappeared during this period. It does not mean a disappearance of actual goods, but a lowering of value based on money value. What really happened was that by the simple method of deflation the value of money was increased and the holder of government bonds, farm mortgages or businessmen's notes was in a position to compel the delivery of more goods or services for the same amount of money. The net result was a drastic increase of all debts both public and private to the benefit of an interest-earning class.

In reality the effect constituted a capital levy on the manufacturers, business men and farmers, and a direct transference of wealth from the active to the inactive portions of the population.

The same report shows the national income of Canada in 1920 to be $3,682,000,000, but only $2,728,000,000 for 1921, a lowering of the national income of nearly one billion dollars in the short period of one year.

Dividing our population up into families of five, these figures show a direct cut in the annual income per family of $525. A further direct result of the financial policy referred to. Some of these facts are so obvious as to be beyond the necessity of argument.

It would appear that the United States financiers realizing that the deflation had been too drastic adopted a measure of inflation in 1922 which was reflected in a period of considerable industrial activity and the elimination of unemployment.

France and Belgium are two countries which refused to deflate in 1920 in conjunction with Great Britain and the United States. The currency of these countries is still on a depreciated basis, which means that debts contracted during the inflation period still bear the same relation to wages and value of products as when they were contracted. The

common opinion that a currency below par value is indicative of national weakness does not necessarily follow. It simply means that money is of low value and the holder of money securities is in a position to demand less in goods and services than he would be if the currency were contracted to bring it to a par value. In fact, the low value of money means a lessening of the burden of taxation on industry and labour. I wish to quote a press despatch which appeared in a western paper some few weeks ago, in which the former Finance minister (Sir Henry Drayton) who had just returned from France was quoted as saying that the people of France were remarkably prosperous. There was no unemployment and the people, he said, seemed to be saving money. I think he said that France had absorbed about 1,500,000 immigrants since the war and had jobs for all of them, and that she was still absorbing immigrants at the rate of 5,000 per week. Of course, the ex-Minister of Finance attributes this to protection, but I do not think he expects us all to take him very seriously. I think he and, indeed, any other hon. gentleman will admit that France to-day would not be in that prosperous condition had she deflated, in conjunction with Great Britain, the United States and Canada in the fall of 1920. The recovery of France after the close of the war of 1870 and the facility with which she paid off the enormous burden laid upon her by Germany, belied the predictions of the economists of that day, who believed she was destined to become a province of Germany. The financial policy of France to-day is very similar to what it was subsequently to 1870. All countries inflate their currency during the war period, and France was no exception to this rule during the war of 1870; but instead of drastic deflation immediately at the close of that war, through the action of the French government, there was an inflation, just shortly after the close of the war, to the amount of about 250,000,000 paper francs. This had the effect of stimulating business, but unhealthy speculation was prevented by heavy taxation. When deflation came in France, it came very gradually, being spread over a long period of years, and France emerged from that dark and difficult period a sound and safe nation, industrially, commercially and financially. I think there is something that we might learn from this to-day.

It is useless to blame our individual banking institutions. The unit bank can no more help itself than a single pulley can help revolving with the whole machine. The system itself is wrong, and the power that is to-day vested in the hands of about seven men in the city of Montreal, should be vested in the people of Canada.

It will always be necessary to inflate and deflate currency under certain conditions, but our complaint is that what was done drastically in the course of a few months in the fall of 1920, should have been spread over a period of five or six years; or as one economist expressed it, our financiers used the expedient of stopping the express train by the opening of a switch rather than by the application of the air-brakes; or as a banking authority puts it, there was no necessity for throwing us out of a ten storey window when we could have been led down a fire escape. What the financial interests did to the nations in 1920, no government with full responsibility for the control of financial policy on its shoulders would have dared to do. It seems to me just as logical, as sensible, as reasonable, that we should hand over the control of the policy of national defence, of fleets and armies, to private corporations, as to leave them with power to create at will periods of unhealthy speculation on the one hand and depression with business insolvency, unemployment, and the lowest depths of poverty, misery and suffering, on the other.

One of the greatest obstacles in the way of monetary reform is the fear of a system, the ramifications of which touch every man, woman and child in the nation. The business man or politician who dares to lay unholy hands on the hitherto inviolable Ark of the Covenant called finance, is considered extremely venturesome. In this connection, I should like to quote the late President Wilson, who said:

> Some of the biggest men in the United States, in the field of commerce and manufacture, are afraid of somebody, are afraid of something. They know there is a power somewhere so organised, so subtle, so watchful, so interlocked, so complete, so pervasive, that they had better not speak above their breath when they speak in condemnation of it.

Henry George said:

> There is danger in radical change, but far greater danger in blind conservatism.

We may evade the demands of common sense to-day, but that public control of credit will eventually come is just as predictable as sunrise and sunset. The government of the day may evade the responsibility of action and shift the burden on to another generation; but, to do so, is to face the dangers of national bankruptcy and is an admission to posterity that this generation is bankrupt in imagination, vision and statesmanship.

Hon. J. A. ROBB (Acting Minister of Finance): Mr. Speaker, the resolution of the hon. member for Centre Winnipeg (Mr. Woodsworth), as it appears on the order paper, reads:

> 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.

I have listened very carefully to the speech of my hon. friend and also to that of the hon. member (Mr. Campbell), who seconded the resolution, and I cannot understand that my hon. friend's speech has very much to do with the resolution as it appears on the order paper. He has gone carefully into the merits of credit and the value of currency. He has repeated a speech that, I think, we have heard before in this House, that if there was a more plentiful supply of money, the products of labour, whether they be in cereals or in manufactured goods, would consequently advance.

Mr. WOODSWORTH: Would the minister point out where I urged a more abundant supply of money? I am not aware of having done so.

Mr. ROBB: That was the inference I gathered from my hon. friend's speech. I am going to read that speech over carefully, because I observe that he must have prepared it with some care. I must be dense, because I really cannot understand anything in the speech of my hon. friend unless it is that he wants Canada to adopt the methods which were tried out in Russia and which were a failure. My hon. friend seemed to go out of his way to bring in as a witness Sir Frederick Williams-Taylor, general manager of the Bank of Montreal, and he rather tried—at least I gathered that opinion—to create in this House the impression that at least my hon. friend believed that Sir Frederick knew very little about the banking system.

Mr. GARLAND (Bow River): Hear, hear.

Mr. ROBB: My hon. friend concurs by saying, "hear, hear." Having the responsibility, temporarily, of providing at certain seasons of the year for the money to move the crops of the northwest, I am bound to say that I do not always accept the advice of Sir Frederick Williams-Taylor upon questions of finance. I am inclined to think, however, that the man who grows the wheat in western Canada and wants real money for it, would prefer that I should take the advice of Sir Frederick Williams-Taylor to that of my hon. friend.

[Mr. Campbell.]

Mr. IRVINE: What does the minister mean by "real money?"

Mr. ROBB: I mean money that will be worth something in any part of the world.

My hon. friend who seconded the resolution made a reference to bank mergers and to the control of banks by a group of seven men in Montreal. If there is one thing more than another that will lead to bank mergers—and we do not want any more bank mergers in Canada—it is this continual attack upon our banking system in this parliament. It makes it very hard sledding for the small bank, it creates distrust in the mind of the depositor, and consequently it renders it difficult for the smaller banks to compete with the larger institutions. There is no such thing as the control of the money situation in Canada by any group of seven men in Montreal; the banking system of Canada is controlled by two hundred and thirty-five men in this parliament. At the close of the ten-year period the Bank Act was revised; it was gone over last year; and while every man's opinions did not prevail the views of the majority did. And that is the real basis of sound government.

Mr. IRVINE: If the banks have good money why should it unsettle them to have subjects of this kind discussed in the House?

Mr. WOODSWORTH: May I ask the minister a question at the same time? Does the minister suggest that this parliament has any control over the issuance of credit by the banks?

Mr. ROBB: I say that this parliament gives the banks their charter.

Mr. WOODSWORTH: That was not the question.

Mr. ROBB: The banks can exercise only such rights as are given them by the two hundred and thirty-five representatives of the people who constitute this House. Now, I think that the speech of my hon. friend (Mr. Woodsworth) and even the resolution carry an implication that is a bit misleading. As I understand it, the resolution suggests two things. One is that the Dominion government has not now the privilege of issuing currency. I submit that this is hardly correct, for at the present moment there is $227,000,000 worth of Dominion notes outstanding. Of this amount aproximately $60,000,000 is in circulation unsupported by gold or securities; and for every dollar of this issue the government has at some time or other been paid the equivalent in cash by the banks. In other words, it might be said that the government

has a loan of $60,000,000 free of interest and protected only by $12,500,000 in gold.

In regard to the banks, there was outstanding on December 31, approximately $165,000,000 in notes. As the aggregate capital of the banks is $122,000,000, this leaves, therefore, $43,000,000 over and above the capital of the banks. The penalties for excess issue above the paid-up capital may be enumerated as follows: 1. That the bank has to keep cash reserves on which no interest is earned, so that it may redeem its notes when presented by other banks for redemption. 2. That an individual bank is penalized if it issues more notes than its capital merits.

Mr. SPENCER: Was that the case with the Home Bank? Was that institution penalized when it did this?

Mr. ROBB: We may go into that question later on. At present I am discussing the general situation as it is. The third penalty is this: That there is a tax of 1 per cent paid to the government on the maximum of its monthly note issue. Giving the banks this privilege of issuing notes has meant a profit to the Canadian people of $15,857,631.32 between the year 1914 and February 20, 1925. The greatest profit in any one year was in 1921, when it was $3,644,056.72. But that is not all. The bank also pays income tax on its income. Previous to 1922 the amount paid in circulation tax was deducted from the amount of its income tax. In 1922 the Income Tax Act was amended so as to take away this privilege.

The banks, under section 64 of the Bank Act, are required to deposit with the minister 5 per cent of the average amount of their notes in circulation to form a circulation redemption fund. This fund bears interest at 3 per cent. Owing to the fact that the population is spread over a territory three thousand miles in length, different conditions may exist in the different provinces simultaneously. To provide for the financing of industries in each of these provinces, Canadian financiers have developed a branch bank system, and it is in connection with this system that the greatest benefit in regard to note circulation arises. Reference has been made by an hon. gentleman to Sir Frederick Williams-Taylor, but I notice that hon. gentlemen were careful not to quote Sir Edmund Walker who appeared before the Banking and Commerce committee in 1923. Sir Edmund stated at that time that the right to issue notes permitted the banks to open many offices which could not possibly be kept open otherwise, partly because of the till money and partly because of the profit on note issue. It will therefore be seen that the right granted to the banks is of great practical value to the people of Canada, inasmuch as it enables these institutions to open branches where they are required in order to assist in carrying on the affairs of the country.

Mr. GARLAND (Bow River): If the privilege of issuing notes is so profitable as to enable Sir Edmund Walker to declare that branch banks can be opened up in consequence, would not the same thing be true if the government controlled the banks?

Mr. ROBB: As to the government controlling all banks, my hon. friends have not advocated that.

Mr. GARLAND (Bow River): I am not referring to that just now.

Mr. ROBB: Let me answer my hon. friend this way. Suppose the Dominion government should have the exclusive right of issuing currency, this would mean that approximately $300,000,000 worth of currency would be put into circulation. It would to a great extent mean that much of the circulation would be unsupported by gold backing, for practically all of the gold in the possession of the Minister of Finance at the present time to protect the outstanding issue has been received from the banks in exchange for Dominion notes and in reality belongs to the banks. In some countries, of course, the right to issue notes is a monopoly given to one bank.

Mr. CAMPBELL: Does the minister say that there is gold behind the bank note circulation to-day?

Mr. ROBB: I have already stated the amount of gold in reserve at the present time, and there are many bankers in Canada who think that we should work upon a gold basis. The fact remains, however, that the Canadian dollar to-day is worth one hundred cents on any market in the world.

Mr. LEWIS: Would not the same be true if currency were issued by the government?

Mr. ROBB: If I can follow correctly the speech of the hon. member who moved the resolution (Mr. Woodsworth) and the speech of the gentleman who seconded it (Mr. Campbell), they want us to go back and adopt such a system as was tried in Germany, where it failed, as it failed in Austria and in Soviet Russia.

Mr. WOODSWORTH: I hope the minister will accept my word for it that I had nothing of the kind in view. I did not say such a

thing, nor can it be reasonably inferred from my remarks.

Mr. CAMPBELL: If the minister was not listening when I was speaking, he will find on reference to my speech in Hansard to-morrow that the same is true of the very thing I have been complaining of, the inflation in the past, inflation that led to a lot of unhealthy speculation in this country, which speculation was assisted by the opening of all these branch banks.

Mr. ROBB: Well, it ill-becomes my hon. friend to find fault with the opening of branch banks, because I have in mind a gentleman who sits right near the hon. member (Mr. Campbell) who attacked the banking system prevailing in western Canada, and yet he came to me and pleaded that I should request the directorate of one of our chartered banks not to close a branch bank in his constituency.

Mr. CAMPBELL: Would the minister suggest that it is necessary to have six branch banks in a town of six or seven thousand people? Is it any more necessary than to have six post offices or six railways stations?

Mr. ROBB: No, I quite agree with my hon. friend, that the branch bank system may have been overdone, I will go that far with him; but I would remind him that we have revised our banking system, we discussed it again last session, and I submit that the banking system of Canada to-day is meeting pretty well the requirements of the people. That banking system has prevailed for a hundred years, and I think we would be wise to let well enough alone. I have said enough to indicate to my hon. friend (Mr. Woodsworth) that I am not in sympathy with his resolution. I am not sure whether he intends to press it to a conclusion, but I would ask him that, having presented his views to the House—and possibly other hon. members will also present their views—the resolution might be withdrawn.

Mr. IRVINE: The minister has dealt with the issue of currency and bank notes by the banks, which amount to about four per cent of the money used in Canada. Has he anything to say about the ninety-six per cent which is put into operation through checking?

Mr. ROBB: The checking system is a very great convenience to the business people of this country, and it is the recognized system of doing business throughout the world wherever the national currency is on as sound a basis as the currency of Canada.

Mr. IRVINE: Has the government control of that now?

Mr. SPEAKER: Order.

Mr. SPENCER: I should like to repeat the question asked by the hon. member for East Calgary (Mr. Irvine): Has the government control of the checking system of Canada, or is it in the hands of the chartered banks?

Mr. ROBB: If I presented a cheque to a bank without any funds, I do not think the government would be called upon to go in and make good the loss.

Mr. SPENCER: That does not answer the question.

Mr. W. C. GOOD (Brant): Mr. Speaker, I do not know that I have seen anything more tragic and pitiable since I have been a member of this House than the empty benches opposite during the course of this vitally important discussion. Nor have I heard anything which revealed such an utter inability to understand the point of view of the hon. member for Centre Winnipeg (Mr. Woodsworth) as the speech of the Acting Minister of Finance (Mr. Robb).

Some hon. MEMBERS: Order.

Mr. ROBB: That is all right; it does not hurt me.

Mr. GOOD: It was not meant to be offensive at all; I have a very high regard for the hon. minister personally. Now, Mr. Speaker, although the supporters and the members of the government apparently know nothing and care less about this matter—

Some hon. MEMBERS: Order.

Mr. GOOD: Well, Mr. Speaker, if they cared they would have been here.

Some hon. MEMBERS: Withdraw.

Mr. SPEAKER: Order.

Mr. GOOD: Although this indifference has been only too abundantly indicated and is very patent to everyone of us here, I maintain that there is no public question of greater importance to the masses of this and other countries.

Mr. ROBB: I will admit that.

Mr. GOOD: I am told by one of my friends on this side that because the people in the country do not understand this question and have never made any demands in respect to it, because no political party has a plank in its platform dealing with the matter, therefore we should be silent in this House with regard to it. But I will not be

silent so long as I believe that this is a vitally important matter; I shall do my best to arouse public interest in it. That is my answer to my hon. friend on this side.

Although the Acting Minister of Finance may object to the principle of the resolution, and although he may call upon his followers to vote it down, yet he has admitted, his government has admitted, and nearly every government in every civilized country has admitted, the principle of this resolution,—but they are very far from attempting to carry it out effectively. Now, it is our purpose to show, first that the principle of public control over our financial system is absolutely sound, and also that there is a crying need for the further and more effective application of the principle than has generally been admitted. The application of this principle of public, democratic control over finance has been shown in many countries through the development of co-operative banks and their various federations. I have mentioned this matter on previous occasions, and I do not wish to delay the House now by going into details again, but anyone who cares to look up the literature on the subject of co-operative banking will realize that through that particular method the democracies of the world, the people who need to use credit and currency have asserted their right of control. Not only so, but every government—and the Acting Minister of Finance has admitted this—exercises a certain amount of authority over all banks and financial institutions. We have it perhaps carried to a much further extent in some other countries than in Canada: witness the creation of the federal reserve system in the United States, of the Commonwealth Bank in Australia, and of other similar institutions.

Now, Mr. Speaker, the need is to make effective the public control that is to-day implied but so lamely and inadequately exercised. I think the hon. member who moved the resolution (Mr. Woodsworth) has presented the case in outline in a most admirable way and has covered the whole field. I propose therefore merely to refer as briefly as I can to some particular aspects of the case which he presented.

Hon. members will recall the situation that developed in 1920, 1921 and 1922 with respect to the deflation, throughout Canada and the United States. This deflation affected agriculture in particular, and the government of the United States was much more prompt in instituting an inquiry than the government and parliament of Canada. And I would like to emphasize the promptness and effectiveness of the movement that was begun by the United States in the early part of 1921. There was then instituted a joint committee of agricultural inquiry which presented its report in four volumes. I have here one—the smallest of the four—on Credit which I shall refer to again. In addition to that they published in detail the evidence taken at a number of hearings. I have under my hand the hearing before this joint committee of agricultural inquiry held at Washington between August 2 and August 11, 1921, dealing specifically with the relation between the policy of the federal reserve system or board in the United States and the terrible industrial condition of the country that developed in those years. I should like to refer briefly to one or two passages from addresses delivered by a gentleman who appeared before our Banking and Commerce committee last year, and who had been for some years previously the Comptroller of Currency in the United States. I refer to the Hon. John S. Williams, who was ex-officio a member of the Federal Reserve Board and who took a very prominent part in objecting publicly and privately to the financial policy which, he maintained, was an ill-advised one and which prevailed in the latter part of 1920 and 1921. I want to get right down to facts, because I know there is a disposition on the part of many hon. members to say, "Oh, this is all a discussion of mere academic theories." The practical man—at least, the man who prides himself on being practical—is inclined to scoff at the stuff that he calls theory, and so on. I should like to suggest in passing that after all the most practical man is the man who sees farthest. Unfortunately we often hold, in practice if not in theory, that the practical man is the man who sees nothing but what is directly in front of his eyes: he can see neither to one side nor to the other, neither backward nor forward; all that comes within his observation is what is immediately before his eyes, in place or time. But the really practical man is the man with vision, who knows history, who knows what is going on in the world and who thereby can interpret what has been passing and can, as it were, project himself into the future. After all, that is the genius, I take it, of prophecy; and there is an element of prediction about it.

Coming to the passages I referred to a moment ago, I will read from one of Mr. Williams' addresses given in the United States and in which he made reference to the federal reserve system in that country. I

may say again that the federal reserve banks of the United States were created for a definite purpose and the Federal Reserve Board was put in charge of those banks in order that the government or the people of the United States might exercise a greater measure of control over their financial policy than had been exercised previously. I am free to admit that that control may not have been exercised as it should have been, but in any event, in the very creation of a Federal Reserve Board there was an admission of a need for public control. There was indeed, a recognition of the very principle that we are debating to-day and to which the Acting Minister of Finance (Mr. Robb) says he objects. I hope he will withdraw from that very untenable position before it is too late. I read, then as follows:

5 p.m.

A primary purpose of the reserve system is to provide for the ebb, flow, and distribution of the country's supply of money to meet the legitimate needs of the people and of commerce. Generally, that purpose has been fulfilled admirably. Sometimes it has been impeded or prevented and troubles have ensued in consequence. For instance, when abnormally high rates for money for speculative or other purposes have been made and maintained in New York, the natural result has been to draw money from sections where it was needed for productive and constructive work to where it could earn extraordinary profits from the necessities of speculators and promoters.

Let me pause here, Mr. Speaker, to direct the attention of the Acting Minister of Finance to what has been revealed in connection with the Home Bank. Was money not diverted from productive enterprise, the saving of poor people all through this country, and devoted to speculative ventures and the activities of promoters? This is not theory; this is fact.

Mr. MACLEAN (York): May I ask the hon. member this question: Is it not the case that if we had a federal reserve system in this country and the Home Bank had to go to the federal reserve bank for currency, as all member banks have to do in the United States, would the things that occurred in connection with the Home Bank not have been discovered by that system?

Mr. GOOD: I think it would depend not so much upon the mere existence of a federal reserve system as upon the existence of an efficient system of inspection. That, of course, is or ought to be very closely linked up in practice with a federal reserve system.

Mr. MACLEAN (York): With my hon. friend's permission, may I ask this: Under a federal reserve system by which control would be exercised over member banks—and the Home Bank would be a member bank—would not the misconduct, if it was misconduct, have been discovered early in the history of the bank?

Mr. GOOD: The evidence that was given before the Banking committee last year proved that no system of that sort could be safely operated without a very effective system of inspection connected therewith. But the discovery of a rotten condition would depend more on adequate inspection than upon the mere existence of a federal reserve system.

Mr. ROBB: Will my hon. friend allow me, then, to ask another question following that of the hon. member for South York (Mr. Maclean)? The hon. member is a student of this financial situation: If the theory advanced by the hon. member for South York is correct, what is the explanation for the large number of bank failures in the United States in the last two years?

Mr. MACLEAN (York): Were they member banks?

Mr. GOOD: Bank failures in the United States have been for the most part among banks not linked up with the federal reserve system, and they have been largely owing to what I think is now admitted to be a mistaken policy on the part of the Federal Reserve Board, However, the answer to the question would lead me very far afield, and perhaps it might be left over for another occasion; I propose to go into some other aspects of this matter when my own resolution comes up. Continuing, then, I read as follows from the remarks of Mr. Williams:

The farmer, merchant or manufacturer in the west and south, and also elsewhere, found money scarce at the six per cent, seven per cent, and eight per cent rates he could afford to pay, because New York was offering from ten per cent to thirty per cent. This tends to defeat the wise and beneficent purpose of the system.

And will hon. members note the following:

I used my official powers to investigate this subject as thoroughly as possible and made some astounding discoveries. The daily rates for call money—meaning money loaned on stock or bond collateral, to be called at will, are fixed daily by from five to eight members of the New York stock exchange, men also actively concerned in the purchase and sale of stocks, meeting informally at the exchange or consulting over telephones. They are responsible to nobody, under no direction. Their casual, hasty decisions not only affect the prices of money and stocks there—frequently meaning disaster or gain to hundreds of individuals and interests—but tend strongly to determine the movement and prices of money and incidentally, to a greater or less extent, of wheat and other commodities—for more than a hundred million people.

Let hon. members weigh that statement very carefully: that the conversations, if we like to use that term, of a few men connected with the financial centre of New York, meeting together in this informal way, may affect the lives, and destinies, and prosperity of millions of people. This book is full of evidence of a very specific character along the same line, evidence which I have not time to submit to the House on the present occasion. But let me again point out its relevance to the matter under consideration. In New York, according to the allegations made, certain people in financial circles were using the system that was devised for the protection of the people of the United States for their own personal and financial aggrandizement. But let us, however distinguish in our minds between a good system and the abuse of that system. I read again from the speech of Mr. Williams:

I am giving this outline of inside events to support my contention that Congress should take action to provide against negligence, lack of ability, or stubborn disregard of the needs and rights of the public by the board or any future board. As an illustration I knew that certain New York banks were borrowing from the Federal Reserve bank, which means from the people of the United States, millions of dollars, at 5 per cent to 6 per cent, and lending it at from 10 per cent to 50 per cent, and sometimes higher still. In fact, among others, I gave them one instance, an extreme case, where a certain large bank last summer borrowed money from its reserve bank at about 6 per cent per annum, and at about the same time loaned a customer, at the head of a large manufacturing enterprise, $1,000,000, well secured by collateral, of which loan about $500,000 was passed on to correspondent banks (without liability to the selling bank) at about 12 per cent per annum, and $500,000 of the loan retained on a basis of interest and commission which yielded the lending bank about 200 per cent per annum, on its net outlay, the whole loan being paid in full in six months. When that 200 per cent transaction was referred to in a meeting of the reserve board, one member, to my amazement, was disposed to condone or defend it on the ground, as he expressed it, that "the banks all charge such rates, more or less." I resented his imputation upon the banks of the country, and I am happy to say that his opinion cannot be sustained, for the vast majority of our banks, of which I am informed, conduct their business on a very different plane, and would not be guilty of exacting such extortionate rate of interest as I have here referred to, which might well bring the blush of shame to Shylock's cheeks.

Here is another quotation from the report of Mr. Williams, as comptroller of currency, to Congress; as set forth in his speech:

Cases from time to time come to light where important banks to which are entrusted milllions of dollars of the funds of depositors are found lending the funds of the bank in large sums to practically all their senior and junior officers—president, vice-presidents, cashier, and assistant cashiers—and while they are extending these large and excessive accommodation to their own officers, directly and indirectly, largely for speculative ventures, the banks are themselves borrowing heavily from the Federal Reserve bank of their district.

From another address which is here given as part of the evidence before this Joint Commission of Agricultural Inquiry I quote the following:

Member banks should be given to understand that the board disapproves—

This is a quotation from a letter which he had written, I think to the Federal Reserve Board—

—and will not countenance the excessive rates which have been in vogue in New York city and which are higher than the rates charged by banks in any other country in the world. Such rates, in my opinion, have been very damaging to the commercial and financial interests of the country, and I submit that it would be well for the board to establish regulations to prevent the reserve banks from lending money to member banks at 6 per cent to be passed on to customers at extortionate rates. The effect of such a regulation, I believe, would be most helpful and salutary.

The records of this office show numerous instances of banks which have gotten large sums of money from the reserve banks to be loaned in Wall street for the purpose of profiting by the difference in interest rates.

Here we have gambling of a most virulent character.

Mr. FORKE: Not as bad as gambling on race courses, surely?

Mr. GOOD: Much worse. I may say, in passing, that I have never contended that gambling on race courses is the worst kind of gambling. I should like to make that very plain. Now I continue:

The official reports also show that in addition to the money which the New York banks were lending on call in New York for account of their correspondents and customers, the national banks of New York city this time last year had on deposit to the credit of their correspondent banks in all parts of the country approximately $900,000,000 more, while the total sum which the New York national banks were lending, directly and indirectly, to all other banks throughout the country was considerably less than one-fourth of that sum.

The important thing is to find and apply proper remedies.

May I repeat that statement here. I think the principle is beyond question: The important thing is to find and apply proper remedies. To continue the quotation:

Perhaps there has never been a time when the business and industrial interests of the country were more deeply dependent upon a sound, wise, and courageous administration of our banking and financial system than at the present moment.

Perhaps I should not take up the time of the House too much, but there is one other extract I should like to read, from an address delivered by Mr. Williams before the Augusta

Board of Commerce and Georgia Press Association at Augusta, Georgia, July 14, 1921:

Yet while this orgy of usury and speculation was raging in New York many of you here had the experience of going to your local banks for money with which to pick or hold your cotton or to carry your paper through the dull season, and of being told of the difficulty of getting money through the reserve bank, and of the limitation being put on the small borrowers. Seeing these things as I do, nobody on earth can convince me that there is not something wrong, a perversion of purpose somewhere. I do not mean to suggest that the New York banks, for instance, were handed out money without security. I do mean that they could and should have been admonished and restrained by the federal reserve administrators precisely as the village man or the country farmer, even with ample assets, is advised and restrained by village and small-town bankers when showing a disposition to be too speculative or extravagant. These things, as all of you know, occur every day.

I heard much talk while I was a member of the Federal Reserve Board about forcing the farmer to sell his wheat, or the cotton planter his cotton, or the cattle raiser his live stock, the wholesaler or retailer their stocks of goods, but I must tell you frankly that I do not recall a single occasion during the past year or two of deflation when the board ever discussed seriously the importance or desirability of requiring the big banks in New York city, some of which were lending millions of dollars to their own executive officials on highly speculative securities and to big syndicates in which these officials were actively interested and which those banks had been carrying for months and sometimes for years, to liquidate a portion of these loans, in order that by so doing those banks might have more money to supply the legitimate use of trade and commerce.

Now, Mr. Speaker, I quote these extracts in order to show hon. members of this House if I can, that this is a matter which touches very vitally and closely the interests of every business man and producer in this country. If we had a little more omniscience than we have, and if we could see the inside and the ramifications of all the various activities of our financial system during the last three years, hon. members on the other side of the House, and some on this side, would not show the indifference they are showing to-day.

I desire now to refer briefly to one or two paragraphs of this report of the joint committee of Agricultural Inquiry. I am referring here, not to the statements made by the ex-controller of the currency, whose opinion and judgment you might question, whom you might accuse of being an interested party, but to a report of the commission of inquiry made after a full examination of the evidence, part of which I referred to a few moments ago. I read two paragraphs from the summary at the beginning of this section of the report referring more particularly to the situation that faced the farmers of the continent in 1921:

The debacle of prices in 1920 and 1921 reduced the farmer to a condition worse than he has suffered under for 30 years. Prices of farm products are relatively far below the prices of other groups of commodities. The products the farmer has to sell will buy less of the products the farmer has to buy to-day than at any time in the last two decades. Farm indebtedness has doubled in the last 10 years, and the drop in prices has the effect of again doubling this indebtedness. Farmers are having the greatest difficulty in paying the debts incurred in producing the crops of 1920 and in securing credit necessary for the new production.

And now listen to this:

The commission believes that these difficulties are due in a measure to the credit restrictions and limitations of the past eighteen months, and in part to the fact that the banking machinery of the country is not adequately adapted to the farmer's requirements.

I desire to comment at this point. This is the considered report of the joint committee of the Senate and the House of Representatives in the United States, and they have here asserted most definitely that financial policy was a factor in that most terrible disaster. We are claiming to-day—and I desire to claim again and most emphatically—that financial policy ought not to be left to a few individuals or to a few private corporations. It is something that must be retained by the people at large, exercised through their proper representatives; even then we shall have lots of mistakes, for I presume there are many mistakes made in this parliament, no matter how good our intentions may be. The Federal Reserve Board, according to Mr. Williams' allegation, was party to a very ill-advised policy. Let us put it in this way: They lent themselves, in his judgment, to the speculative interests in the United States at the expense of the real interests of the farmers and the workers throughout that vast country. I am not asserting, and I do not think anybody would be so foolish as to assert, that this ill-advised financial policy was the sole cause of the disaster. There was a number of other factors which entered into the situation, but the best evidence we can get indicates beyond all controversy that it was a factor and an important one. Our contention is that owing to the situation which has developed under modern conditions the control of financial policy, the issue of currency and the control of credits ought to be in the hands of the people. That is all the resolution says. I am positively amazed that the Acting Minister of Finance (Mr. Robb) objects to the resolution when he admits that this Canadian parliament has authority over our banks. All we want is to assert that authority and make it more effective.

Mr. FORKE: The resolution is in negative form. It simply says it is not in the interests of the country that it should be in pri-

vate hands. It does not give any statement as to where it should be.

Mr. GOOD: Then all the better for my case. What does it mean when it says it should not be in private hands? The converse must be true, namely that it should be under the control of the public. I was simply interpreting the resolution in a slightly different way. I want to refer now to one or two statements made a few moments ago by the Acting Minister of Finance (Mr. Robb). He says the banking situation is now controlled by 235 men in this parliament. So it should be. But we want more than control. We want intelligent control. And we cannot get intelligent control if those benches on the other side of the House are empty.

Mr. CALDWELL: To whom would the hon. gentleman propose to give the control?

Mr. GOOD: I do not propose to give the control to any other than to parliament, the representatives of the people. But what I have in mind is the indifference shown by the hon. members of this House to this most important question, as indicated by the empty benches, and if they do not give attention to these matters, how can we have intelligent control?

I desire next to refer to a matter which I brought to the attention of the House last year.

Mr. MILLAR: Before the hon. gentleman leaves the matter, may I interrupt? My difficulty is this; it would seem to me that the inflation and the deflation which has caused so much trouble are in the hands of governments. Is the Finance minister not responsible for the inflation and deflation?

Mr. GOOD: I am free to admit that there may be a very considerable element of truth in what my hon. friend says. In the report which I had in my hands a few minutes ago there is a very free and frank admission that what we will call the national financial policy of the United States in war-time had a great deal to do with inflation. I think that is absolutely true, but it does not touch the question at issue at all. I have already admitted that representatives of the people, if they have control over financial institutions, will make mistakes. But it is far better to have control, to make mistakes, and to learn from those mistakes, than not to have control. Just let me elaborate that thought a little. Would it not be better in this country to have a democracy, even if it be very inefficient, than to have a dictatorship? We might say: As long as we have a benevolent dictator or autocrat, we would all be better governed than we are now. Possibly we would, but we would not be satisfied with that particular type of government. We want to have the privilege of making our mistakes and learning from them, and the only way by which we are going to learn is by making mistakes under a democratic form of government. The analogy holds in this particular field, that if the private corporations who control our financial policy are all-wise and all benevolent, well and good; but you cannot assume that is so, and the evidence that Mr. Williams adduces shows that when the power to rob and to exploit the public is in the hands of the few, they very often exercise that power and the public suffer.

Continuing, I want to refer to a matter that I brought to the attention of the House last year. I have heard it stated that the Canadian Bankers Association is the most powerful organization in this country. That may be quite true. I referred last year to the expenditures for lobbying and so on made by that association during the revision of the Bank Act in 1923, amounting in all to $96,646.50, irrespective of what they paid their secretary who was the only representative of the association who was visible and who had credentials. I have heard it said in connection with the question of public ownership of railways—and I should like some of my Quebec friends to bear this in mind—that if we did not have public ownership of railways, we were going to have railway ownership of the public, of the government. If we do not have public control over finance, we are going to have control of the public by financiers. We can take our choice.

I have in my hand some correspondence which was exchanged between Professor Irving Fisher who was here two years ago, the Right Hon. Sir Reginald McKenna, one of the great English bankers, Professor Gustav Cassel of Sweden, one of the most prominent economists and a certain Mr. Bellerby who was connected with the International Labour office at Geneva, Switzerland, dealing with the question of the stabilization of our currency. I want to read a few extracts from a letter written by Professor Irving Fisher to Sir Reginald McKenna, as follows:

> A recent letter from Prof. Cassel says: "With regard to your paper on the Stabilisation of Europe, I must say that it is nothing less than a scandal that nations should go on being ruled by ignorant politicians completely incapable of grasping the most elementary truths at the bottom of the world's present difficulties. The American opinion that a solution must be handed over to economic experts is all right, but people should not be led to believe that the problem is a simple question of arithmetic."

Prof. Cassel and I both feel that instead of concentrating on the problem of stabilising paper relatively to gold, we would probably make greater progress and certainly be more fundamental if we could first stabilise the money unit in gold standard countries.

I do not wish, at the present time, to go into details concerning the stabilization of currency, and I have very little further to say on this present occasion. May I repeat this however that unless the people of Canada and the people of other countries take means to secure a more effective control over financial policy and financial systems, they are practically doomed, because there is not any force, any influence, more potent for good or ill at the present time than the money influence? I have therefore, great pleasure in supporting the resolution moved by the hon. member for Centre Winnipeg (Mr. Woodsworth).

Hon. Sir HENRY DRAYTON (West York): Mr. Speaker, I am afraid I shall have to burden the House for a few minutes in saying something upon this issue. It is a matter I did not expect to speak on, but a good deal has been said as to what has happened in the past in connection with deflation policies and the like. The whole subject is interesting. I like to hear it discussed, but much more than hearing it discussed, I should like to get one ray of light as to the future, as to something practical, from the gentlemen who delight to discuss it.

Mr. GOOD: I will give it to the hon. member later.

Sir HENRY DRAYTON: I shall be delighted to get it. So far I have not been able to get it. To-day we have had complaints all around. There is a complaint if you go to the right. There is a complaint if you go to the left. There is the complaint of inflation by the banks. There is the complaint of deflation and the like. There is the complaint of government inflation. There is the complaint against rapacious financiers. Then, there is the plaintive complaint voiced by the hon. member for Brant (Mr. Good) as to ignorant politicians having anything to do with financial matters. I believe many economic thinkers will agree with my hon. friend. I wonder if, after all, we cannot get somewhere with these complaints.

I wonder if we cannot possibly clear the ground just enough to begin to appreciate the difficulties of the situation. Everybody should want to endeavour to improve the situation where any avenue of improvement is opened up, and I think that is the desire of everybody. The trouble is that we have so much talk, and what the Acting Minister of Finance (Mr. Robb) says is perfectly true. If we have any interest in the smaller banks, one of the worst disservices we can do them and the public generally is to create suspicion in the public mind as to our banking system. It is well to criticize these institutions if by so doing we can accomplish anything useful, if we have some concrete, sensible proposition which will advance their interests instead of hurting them. But in the absence of such a proposition I want to endorse entirely what the Acting Minister of Finance has said.

Hon. gentlemen say that the previous government were to blame for deflation. Following that out, they would have to say that the present government is to blame for continuing the same policy. There has been no change. Everything is the same. Many questions have been asked to-day and I am going to put a question. What step did the former government take, or what step has this government ever taken, to force upon Canada deflation? Not one. There was never a governmental action taken in this country calculated to create a position of artificial, forced deflation.

Mr. MILLAR: Was currency withdrawn from circulation in 1920? And if so, how much, and by whom?

Sir HENRY DRAYTON: I wonder if the hon. gentleman really thinks that any government or bank, or anybody else, can expect to feed out dollars in this way and keep it up? Is there anybody to-day who does not realize that the issuance of money means interest and that the people holding money which they cannot use return it in order to avoid the burden of that interest? Can anyone be in ignorance of that fact? What governmental step was ever taken, either by the present or by the past government, to bring about sudden deflation? There never was such a thing.

Mr. IRVINE: Did anyone make that charge to-day?

Sir HENRY DRAYTON: Yes, I have heard it to-day.

Mr. CAMPBELL: Not from this section.

Sir HENRY DRAYTON: Yes, from that section. Some hon. gentleman, I cannot remember who, read some report or other of Sir Frederick Williams-Taylor in which the statement was made that, agreeable to the policy of the government, or words to that

effect, something was being done. I did not quite get it, but I remember having heard something of the kind. But my point is that there never was anything done in Canada, either by the former government or by this government, which would have anything at all to do with price levels.

Mr. IRVINE: But should not something be done?

Sir HENRY DRAYTON: There we are getting on to something else. But there is no difficulty about that point.

Mr. WOODSWORTH: I think the hon. gentleman is referring to a quotation which was submitted to the House this afternoon from the evidence given by Sir Frederick Williams-Taylor before the Banking and Commerce committee.

Sir HENRY DRAYTON: I thank the hon. gentleman for the information. There is no mystery about the matter at all. By one of those strange accidents of fortune, it happened that price levels were affected just through one of those vehicles which some hon. gentlemen think the government should adopt. Now, what is it that has to do with price levels? Commodities, is it not?—commodities and the outside market for commodities. Canada has no special supply market of her own for raw commodities.

Mr. IRVINE: Does the hon. member mean to say that the only thing that affects prices is commodities?

Sir HENRY DRAYTON: There we are getting into an academic discussion that would afford us room for discussion all day long. But let us keep to one thing at a time. Does the hon. member suggest that inflation is a condition which is not mirrored in an inflated value of commodities?

Mr. IRVINE: I would ask another question. Does my hon. friend mean to say that the inflation from which Canada suffered during the war was caused by commodities?

Sir HENRY DRAYTON: If we go back to the war it will take us a long time to get done. But that was a period during which, from the very nature of things, inflation was inevitable. It has been said quite often, but I will repeat it, that inflation is due not merely to a redundancy of currency but largely also, as was shown during the war, to a redundancy of government credits. Every single government issue of bonds for war purposes, which does not produce anything, goes to reinforce a greater foundation for credit. Wars have to be financed, and at the end of every war there is bound to be inflation. Hon. gentlemen seemed to indicate to-day that, while things were going first-rate after the war, and when we had high prices and inflation, through some governmental policy or some policy of the banks, or both, there was sudden deflation, which was a very bad thing for the country. I think I am safe in representing this as the burden of their complaint. But the deflation that took place at that time was almost entirely a deflation in commodity prices. And I was about to point out that Canada's commodity markets were the same as the markets of other purchasing nations. Unfortunately, in that period of post-war inflation there was, as there always is, a great deal of speculation. For example, there was an immense amount of sugar bought up, as well as of rubber. And what happened in the sugar situation? Do hon. gentlemen remember what occurred then? All of a sudden the federal reserve bank of the United States came to the conclusion that there was too much sugar paper out and so refused any more re-discounts or anything of that kind. And the same thing happened later in rubber. These are only two illustrations. Raw sugars dropped to something like one-sixth of their former value; they dropped to such an extent that the very collateral which the banks held and which under former values was perfectly good, became entirely uncollectable, and the whole thing had to be carried. Does any hon. gentleman think that what happened in New York was not mirrored in Montreal the next morning? Does he think that there was anything in the world which the Canadian banker could do to keep up the value of a collateral in something which played relatively a large part in the nation's business? Sugar raws were down to 3 cents; could the Canadian banker do anything at all to increase its value to 18 cents, where, I think, it was before? And what could the Canadian government do? Take another large raw material, rubber. What could either the Canadian banker or the Canadian government do in that situation? And so, in the case of any single one of the large staple commodities, there was nothing in the world which this country could do to maintain prices. What would any hon. member expect? Do hon. gentlemen think that the Canadian government or the Canadian banks could go into a "corner" for the purpose of artificially holding up prices in order to maintain an inflation that had disappeared? And what else was there that could be done? Take wheat: Has any hon. gentleman the

temerity to suggest that any government in Canada either did, or could, do anything to hurt the price of wheat?

Mr. FORKE: Why was it that wheat and other agricultural products deflated so much more rapidly than any other commodities?

Sir HENRY DRAYTON: That is one thing that is really unfortunate. Wheat was affected more quickly than any other product. The transfer of wheat is so immediate, the stages of manufacture are so short, that in the past it always has felt an upward movement, a movement of inflation, quicker than anything else. But unfortunately it also feels the return quicker than anything else. It is more sensitive, it takes the benefit of the up curve first; but it also takes the detriment of the down-curve, if not first, certainly as soon as anything, and, I think, first.

But I pause again for an answer, Mr. Speaker. Has any hon. gentleman the temerity to suggest there was anything that any government in Canada did or could have done to injuriously affect the price of wheat? Well, of course no one can suggest it. Everyone knows that if any hon. member did suggest it, his thinking constituents would look upon him as a fit inmate for an asylum. And yet what hurts this country more than anything else in case of deflation is that very article, wheat. And it is coming up again. Why did it go down? Its decline certainly had nothing to do with currency deflation, not a single thing. As every hon. gentleman knows, the price of wheat rests, not upon any artificial basis, currency inflation or credit, or anything else that we have here, or that the States has, or that the Mother Country has; it rests upon the purchasing power of the wheat-consuming countries of Europe on the one hand and the amount of visible supply of wheat on the other.

Mr. SPENCER: Would the hon. member explain how the bankers had nothing to do with bringing about deflation in this country in 1921-22?

Sir HENRY DRAYTON: Is there any doubt that the particular item of deflation which hurts this country more than any other item, namely wheat, is something which we had absolutely nothing to do with, and which our banks had absolutely nothing to do with, it being dependent entirely upon the purchasing capacity and power of the wheat-importing nations on the one hand, and the visible supply of wheat on the other? Again I pause for a question?

Mr. GOOD: Will the hon. gentleman say whether or not the fluctuation in the volume of money, or purchasing power, of the countries of Europe were not to some extent at least determinable by public policy in those countries, and therefore affected the price of wheat here—according to his own theory?

Sir HENRY DRAYTON: But, Mr. Speaker, the hon. gentleman will see if he thinks the matter over—and he is thoughtful, he is trying to get somewhere—that he has a choice of all kinds of things in Europe; he has his choice of stable currencies—gold currencies—inflated currencies, and everything else. Take for example, Spain at the end of the war.

Mr. IRVINE: Why go to Europe?

Sir HENRY DRAYTON: Well, it is big enough for the moment, and I go there particularly at the invitation of the hon. member for Brant (Mr. Good). He could go to Spain, entirely upon a gold basis after the war; or he could go to Germany, without any basis at all; or he could go to Switzerland or Holland, each on the gold basis,—I do not care where he might go, he would find exactly the same condition, he would find that the particular kind of counters—currencies—would not help him at all. He would find it coming right back in the last analysis to this: Have the people the purchasing power necessary?—whether they get that purchasing power from gold itself, or from their own labour, or from commodities.

Mr. GOOD: Does not the deploring by Sir Reginald McKenna of the deflation policy in Great Britain indicate that there might have been a larger amount of purchasing power in that country for Canadian products if the policy that was followed there had not been followed?

Sir HENRY DRAYTON: I think that to some extent, certainly to an infinitely greater extent than we could arrest it, it is possible that Great Britain might have arrested the deflation. I do not know how far they could have done so.

Mr. SPENCER: Through the government or through the banks?

Sir HENRY DRAYTON: Entirely through the government.

Mr. SPENCER: Why could we not do the same?

Sir HENRY DRAYTON: If my hon. friend will take the trouble to look up the blue books to see the influence our trade would have on these commodities, bearing in mind my answer to the hon. gentleman that

Great Britain could have arrested deflation to a larger extent than we could—but not absolutely, that was quite impossible—he will see the reason of my answer. The whole thing is relative. But I am inclined to think, Mr. Speaker, that if you have as large a consumer of raw materials as the United States, absolutely embarked upon a policy of deflation, it would have been very hard for any other country in the world to have kept up an artificial standard in the same raw commodity.

Mr. GOOD: Has anybody denied that?

Sir HENRY DRAYTON: Ah, but the hon. gentleman's question, when he asked me whether Great Britain would not have been able to buy much more if she had not deflated, of itself must affirm that proposition. I point out to him that that is one of the reasons why it would have been extremely difficult for Great Britain to have done it. Now, the hon. gentleman (Mr. Evans) had a question?

Mr. EVANS: Does the hon. gentleman imply that the withholding of credit by the banks here to the farmers has nothing to do with the price of wheat by forcing it on the market for the want of credit?

Sir HENRY DRAYTON: I was going on to that in a few moments. Much can be said as to the wisdom on the one hand of holding back an annual production, such as wheat, in the hope of raising our market or, on the other, of selling at once. Sometimes one method is successful, sometimes the other; it depends upon the year. Sometimes the man who holds back his wheat makes a lot of money. This year he would have done so. Sometimes the man who sells his wheat without delay, taking into consideration his carrying costs and all that sort of thing, gets the advantage.

Mr. EVANS: The hon. gentleman has not got my question. Through the want of credit the grower has been forced to put his wheat on the market, and thereby the price has been lowered.

Sir HENRY DRAYTON: Well, Mr. Speaker, I do not think that the grower loses so much in that way as by the fact that he is not able to reap the benefit of a better price in case the market goes up later on. I think that really is the point. But after all the great thing in connection with the movement of grain is the ability to finance it properly, and I am going to say something to hon. members upon that score in connection with inflation. That is, inflation of currency which has taken place in this country, having that very aim and object and end in view. It is something in ease of some of the arguments of the hon. member for Centre Winnipeg. We have had in Canada what was in effect currency based upon a commodity, not on gold at all, just for the purpose of moving the western grain crop. At one time advances were made—I am speaking now from memory —of as high as $128,000,000. That was under the Finance Act in 1914; and it was just for the purpose of enabling the farmers' grain to be properly and economically financed and taken over to the British market.

Mr. SPENCER: Did I understand the hon. member to say that the British government, but not the British banks, could have stopped inflation?

Sir HENRY DRAYTON: I did not say they could have; I said they could have a little more than we could.

Mr. SPENCER: Why could not the Canadian government exercise the same right?

Sir HENRY DRAYTON: I thought I had answered that, but I will answer it again for my hon. friend's benefit, because I am sure he wants to know. The hon. member will see that if any given country has control of say five per cent of a certain commodity, it would be difficult for that country to stabilize the price of that commodity. I think I carry my hon. friend's judgment with me to that point. If another country held, say, twenty-five per cent of the visible supply of that commodity, then that country would be just that much more able to stabilize the price. That is the reference I made as between Canada and Great Britain. I do not think Great Britain could have done it, but she could have done it to a greater extent than we could. I am not giving the exact proportion; I do not say whether it is a question of five to twenty-five or not.

Mr. GOOD: It is a question of degree.

Sir HENRY DRAYTON: The hon. member has the point exactly; it is entirely a question of degree. If you own enough of anything you can always stabilize the price.

Mr. MILLAR: I do not think we have a direct answer to the question that has been asked twice. Without considering whether it had the effect of deflation or inflation, did the government of which my hon. friend was a member withdraw any money from circulation in 1920?

Sir HENRY DRAYTON: Again, I thought I had stated what the situation was. We

took no action whatever toward withdrawing money at any time, and I do not believe any government has ever done so or could very well do so. If circulation is out, it is out; but the hon. gentleman will see that there is a string on that circulation—it is the excess that always comes back. At one time we had an excess of $131,000,000, the whole of which bore interest at five per cent. Just so long as the banks can hold that out at the five per cent rate and make some money on it, they are going to do so, but the moment the money becomes idle with them and they are penalized to the extent of five per cent, back that money goes. Six o'clock, Mr. Speaker.

Mr. BROWN: Just for my own information, may I say that the statement was made to me the other day—I give it only as made to me—that at that time the government offered the banks the option of increasing their capital or of withdrawing their amounts in circulation. Can that be answered?

Sir HENRY DRAYTON: Very easily; it is the first I have heard of it.

Mr. BROWN: That is the statement as made to me.

Sir HENRY DRAYTON: Many strange statements are made. This is the first time I have heard it.

Mr. BROWN: That is satisfactory.

At six o'clock the House adjourned, without question being put, pursuant to rule.

Thursday, March 5, 1925

The House met at three o'clock.

PRIVATE BILLS

FIRST READINGS

Bill No. 20, respecting a patent owned by the Concrete Surfacing Machinery Company. —Mr. Chevrier.

Bill No. 21, respecting the Marconi Wireless Telegraph Company of Canada, Limited. —Mr. Casgrain.

REPORT

Supplementary list of leases, licenses, permits, or other authorities cancelled under provisions of section 3 chapter 21 of the Statutes of 1922, an act respecting notices of cancellation of leases of Dominion lands.—Hon. Mr. Stewart (Argenteuil)).

[Sir Henry Drayton.]

RAILWAYS AND SHIPPING

Hon. GEORGE P. GRAHAM (Minister of Railways and Canals) moved:

That the order of the House referring to supplementary estimates 1925-26 respecting loans to the Canadian National Railway Company and Canadian Government Merchant Marine, Limited, laid on the table Monday February 16, referred to the committee on Supply, be discharged, and that the said estimates be referred to the select standing committee on Railways and Shipping owned, operated and controlled by the government.

Motion agreed to.

AGRICULTURE AND COLONIZATION

Mr. W. F. KAY (Missisquoi) moved:

That the annual report of the Minister of Agriculture and of the Director of the Experimental Farm be referred to the select committee on Agriculture and Colonization.

Motion agreed to.

CRIMINAL CODE AMENDMENT—LOTTERIES

Mr. L. H. MARTELL (Hants) moved for leave to introduce Bill No. 22, to amend the Criminal Code.

Sir HENRY DRAYTON: Explain.

Mr. MARTELL: As hon. gentlemen know, there is a provision in the Criminal Code in regard to lotteries. Section 236 of the Criminal Code was amended, and special provision was inserted to permit churches or eleemosynary institutions to hold lotteries where the prize was of less value than $50. They were permitted under this provision to conduct a raffle. The purpose of the bill is to cut out that exception, on the ground that if the church of this country is to be a model for the discipline and morality of the country they should set a good example to others. Hon. members will quite appreciate the force of the old maxim which declares that the church is the teacher of the laws and the dictator of morals. What is wrong for an individual is wrong for the church.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

CARAQUET AND GULF SHORE

Mr. ROBICHAUD:

1. What was the total amount of subsidies paid by the Dominion government towards the construction of the Caraquet and Gulf Shore railway?
2. What was the total amount paid by the government for the purchase of said roads?

3. What amounts were spent for the reconstruction of these roads in each year from the time they were taken over to the end of the last fiscal year?
4. What were the total operating deficits during the same period?

Hon. Mr. GRAHAM:

1. $277,699.20.
2. $296,399.60.
3. Capital expenditure:

Year ending March, 1921...	$	104,253 34
March, 1922...		263,718 33
March, 1923...		143,895 71
March, 1924...		49,729 21

4. Operating returns of this line are not segregated in accounts of the Canadian National system.

COL. H. A. MULLINS

Mr. McTAGGART:

1. Was Colonel H. A. Mullins, Winnipeg, employed by the Dominion government during the war period?
2. If so, what was his official position?
3. What was his annual salary?
4. What was the total amount paid to him for services rendered?
5. What was the total amount paid to him for expenses during the period stated?

Hon. Mr. MACDONALD:

1. Yes.
2. (a) Inspector of meat at Sewell camp. (b) Chief Inspector transport and supplies from Fort William west.
3. (a) Lieutenant-Colonel's staff rates 27th May, 1915 to 3rd November, 1915; pay, $5 per diem; field allowance, $3 per diem; married allowance, $1.20 per diem.

(b) Lieutenant-Colonel's rates from 4th November, 1915 to 31st December, 1915: Pay, $5 per diem; subsistence allowance, $1.50 per diem.

(c) As Chief Inspector transport and supplies from 1st March, 1916 to 30th November, 1917: Pay, $2,900 per annum; allowances, $1,100 per annum. (During this period he was on leave for one month without pay and allowances.)

(d) Colonel's rates from 1st December, 1917 to 28th February, 1918: Pay, $6 per diem; field allowance, $1.50 per diem; subsistence allowance, $1.70 per diem; separation allowance to dependent, $60 per month.

4. Total pay and allowances. ..	$9,355 92
Total separation allowance.. ..	$ 180 00
	$9,535 92

5. Total expenses paid: 1915-16, $302.10; 1916-17, $242.75; 1917-18, $84.00; total, $628.85.

PORT NELSON HARBOUR WORKS

Mr. McTAGGART:

1. Was any considerable damage done to the harbour works at Port Nelson, by a storm, in the year 1924?
2. If so, what was the extent of the damage?
3. Was the bridge connecting the artificial island with the mainland affected by the storm?
4. What steps, if any, have been taken by the government to repair damage caused by the storm?

Hon. Mr. GRAHAM:

1. Yes.
2. Damage confined to removal of part of the stone and earth filling in the timber crib bridge piers which lead from the shore to the island structure.
3. The bridge spans and supports were not injured.
4. Impossible to take steps to repair during the winter season.

GRANTS TO HIGHWAYS IN ONTARIO

Mr. CHURCH:

What grants have been made to the province of Ontario during the past fourteen years on account of good roads?

Hon. Mr. GRAHAM:

The Department of Railways and Canals has no record of any payment to the province of Ontario on highways account prior to the passage of the Canada Highways Act of 1919. Since that time, and under that act, the following payments have been made:

1920-21..	$ 295,100 00
1921-22..	1,031,229 01
1922-23..	2,047,918 28
1923-24..	1,377,440 88
1924 to Jan. 31, 1925.. ..	701,069 90
Total payments to date..	$ 5,452,758 07

MINERS AND STEEL WORKERS

On the Orders of the Day:

Mr. W. C. GOOD (Brant): I have received the following telegram from Sydney Mines:

Sydney Mines, N.S., March 3, 1925.

Conditions getting acute Sydney Mines. Much relief given out already. We start a soup kitchen to-morrow. Citizens meeting appointed relief committee and assistance would be appreciated.

W. C. Stewart.

Has the Minister of Labour any recent information to give to the House concerning the situation, and is anything going to be done to stir up the provincial government to take prompt action?

Hon. JAMES MURDOCK (Minister of Labour): The information before the government in regard to the general situation in Cape Breton, both as to a dispute between em-

ployers and miners in the matter of a new wage scale and as to the distress which is the result of some of the mines not working, is, I think practically the same as the public generally has through press reports. Yesterday, we received a telegram of almost six hundred words, which was a copy of a statement that had been made by representatives of the miners to the Nova Scotia government. Our understanding is that the Nova Scotia legislature is now in session; that it is taking cognizance of the situation and the claims in regard to both the distress which is the result of unemployment and the dispute which is and has been for some months in evidence between the mine operators and the miners. Our understanding is that the Nova Scotia government is taking all such steps as to it appear proper to bring about a settlement of the existing dispute, and, we assume, taking such steps as may be necessary to assist in relieving distress, if any is in evidence.

I can add nothing further to what has been previously stated as this government's position, except I might say that it is not regarded as good form to step into another man's house to assist in settling a dispute which is under careful discussion between those who are directly concerned and responsible. That is all I could say for the federal government.

ROYAL MAIL STEAM PACKET COMPANY

On the Orders of the Day:

Mr. MURRAY MacLAREN (St. John City and Counties of St. John and Albert): I desire to draw the attention of the government to the following announcement that appeared in the daily press of 2nd March:

> The Royal Mail Steam Packet Company have announced their intention not to renew their contract with the government.

I desire to ask the government—I notice unfortunately the absence of the Minister of Trade and Commerce (Mr. Low)—if any statement can be made to the House regarding what action it is proposed to take in view of this announcement.

Hon. CHARLES STEWART (Minister of the Interior): The Minister of Trade and Commerce, evidently anticipating a question of this kind, sent a note to my office asking me to assure any inquirers that:

> Negotiations are now proceeding for the extension of this contract, and we have no reason to think that there will be any interruption in the service.

PEACE RIVER RAILWAY OUTLET

On the Orders of the Day:

Mr. D. M. KENNEDY (West Edmonton): When does the Minister of Railways and Canals expect the joint report of the two railway companies with regard to the Peace river transportation question?

Hon. GEORGE P. GRAHAM (Minister of Railways and Canals): I have nothing in the way of words of hope to add to those uttered by myself the other day in reply to the same question. I have nothing further from the heads of the railways, but I anticipate having word in a few days.

RURAL CREDITS

On the Orders of the Day:

Mr. E. J. GARLAND (Bow River): I trust the government will be able to give us some more hope in respect to the report of Dr. Tory on rural credits. Has the government any further information to lay before the House?

Hon. GEORGE P. GRAHAM (Minister of Railways and Canals): The Acting Minister of Finance (Mr. Robb) is not in his seat. I will call his attention to the question of my hon friend.

CANADIAN NATIONAL RAILWAYS—BRANCH LINES

On the Orders of the Day:

Mr. N. H. McTAGGART (Maple Creek): Will any branch line bills be introduced this session? If so, how many, and when may we expect them to be brought down?

Hon. GEORGE P. GRAHAM (Minister of Railways and Canals): I think it is safe to say that branch line legislation will be introduced at this session. I am not sure that there is not something on the order paper for two lines that are in a different position from the other lines from the fact that the government of Saskatchewan has in its hands in trust certain moneys which it desires,—as legislation has been provided—to apply to the construction of the lines that will be named in these two bills. The bills will be introduced without delay.

Mr. H. E. SPENCER (Battle River): Will the bills to be introduced by the government in connection with branch lines include any more than two branches?

Mr. GRAHAM: I am not in a position as yet to state.

QUESTIONS ON ORDERS OF THE DAY UNANSWERED

On the Orders of the Day:

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): Has the Acting Prime Minister any word to give to the House on

the various questions that ministers told us on previous days they would submit to their absent colleagues and advise the House upon later?

Hon. GEORGE P. GRAHAM (Minister of Railways and Canals): Are the colleagues yet absent?

Mr. MEIGHEN: They are still absent and getting more absent.

Mr. GRAHAM: The absence of the colleagues to-day is on account of the funeral of the late Madame Dandurand, wife of the leader of the government in the Senate. These matters have all been referred to the ministers interested and I hope they will have answers to-morrow.

MILITARY DISTRICT NUMBER 10—COAL INQUIRY

On the Orders of the Day:

Mr. J. S. WOODSWORTH (Centre Winnipeg): When does the government propose to lay on the table the report of the commission appointed to investigate the alleged frauds in the sale of coal in the Department of National Defence, Military District No. 10?

Hon. E. M. MACDONALD (Minister of National Defence): If my hon. friend had followed the proceedings of the House as he usually does, he would have noticed that a few days ago an order of the House was passed for all the papers in connection with this matter. These papers will be brought down in due course.

CANTEEN FUNDS

Hon. H. S. BELAND (Minister of Soldiers' Civil Re-establishment) moved that the House go into committee to consider the following proposed resolution:

Resolved that it is expedient to bring in a measure to provide for the distribution of the canteen funds by distributing the same as follows:—

(1) The sum of $20,000 to be held for payment of any outstanding accounts;

(2) The sum of $100,000 to be paid to a central board of three trustees appointed by the Governor in Council, without remuneration, to be used in such amounts and such manner as it may deem best for the maintenance and assistance of an adjustment service and bureau for the benefit of ex-service men and their dependents;

(3) The sum of $50,000 to be paid to the United Services Fund of Great Britain, and the sum of $50,000 to be paid to the American Red Cross, to be used by them, respectively, in such manner as they deem proper for assistance in specially meritorious cases of ex-members of the Canadian Expeditionary Force who have served in France or England, and their dependents, resident in Great Britain or the United States as the case may be, and who are in genuine distress;

(4) The residue of the Canteen Fund to be divided into nine provincial allotments in the proportion indicated by the following percentages:—

Alberta	7.752
British Columbia and the Yukon	11.213
Manitoba	10.654
New Brunswick	4.072
Nova Scotia and Prince Edward Island	6.288
Ontario	41.237
Quebec	11.622
Saskatchewan	7.162
	100.000

(5) The provincial allotments to be paid to a provincial board of trustees, appointed by the Lieutenant-Governor in Council in each province, without remuneration, empowered to receive and hold the provincial allotment and to ascertain the wishes of those interested and residing in the province concerning the disposition of such allotment and to determine the object to which the allotment should be devoted, and to administer the same for such object or to provide for such administration by others, and to do such other things as may be indicated in the order in council appointing them. The expenses in connection with the trust to be a charge on the allotment;

(6) The sum of £5,000 received from the Council of Management of the United Services Fund to be allotted and paid to the Central Board of Trustees to be expended by such board from time to time in such amounts and in such manner as it may deem best for assistance in specially meritorious cases of ex-members of the Imperial Forces and their dependents resident in Canada or the United States of America as the case may be.

Motion agreed to and the House went into committee, Mr. Gordon in the chair.

Mr. BELAND: This resolution differs sligthly from the one which was passed by the House last year. There is, for instance, provision for the distribution, or perhaps I should say disposal, of the sum of £5,000 which has been allotted to Canada by the Council of Management of the United Services Fund of Great Britain. I take this my first opportunity of bringing to the attention of the House that this money was secured through the deep interest and the intervention of His Excellency the Governor General who, as it will be remembered, played a very important part in the organization and direction of the United Services Fund in Great Britain.

There is a slight alteration in section 4 of the resolution so far as Nova Scotia and Prince Edward Island are concerned. I see no good reason why these two provinces should be grouped together when all the other provinces are afforded the possibility of appointing each a board of trustees for the administration of their respective allotments, and in the bill I intend to have Nova Scotia and Prince Edward Island each treated separately.

The committee will note that British Columbia and the Yukon are put together. As was indicated last year, the Yukon is not organized as a province, and the interests of the returned men residing in that territory, it was felt, might be better served if the province of British Columbia and the Yukon were joined in the administration of these two allotments. In this regard, however, certain representations have been made to me by different persons having an immediate interest in the welfare of the Yukon; returned men and members of this House who have taken an interest in the matter have represented that, from the Yukon point of view, it would be preferable if the share that fell to that district were allotted to it directly instead of forming a part of the allotment to British Columbia for use in both the province and the Yukon. Personally I have no objection to this being done, I cannot look unfavourably on any such proposal; and, if it is the desire of the committee, I shall introduce an amendment to the bill to provide that the Yukon shall have its share separately. If this is done, however, some local committee or board will have to be appointed for the disposal of the allotment, whatever it may be.

The percentages which are set out in the resolution are arrived at on three bases,—the percentage of enlistments, the percentage of discharges, and the percentage of pensioners in each province or territory as the case may be. This has been deemed by the royal commission the fairest way of dealing with the fund, and we have adhered to the principle this year as we did last year. The figures are somewhat different, but they are correct to date, having been subjected to a close review by the Department of National Defence. These, I think, are the only comments that seem necessary at the moment, but I shall be pleased to give hon. gentlemen any information that may be in my possession.

Mr. GUTHRIE: It has been reported that an order in council has been passed within the last few months appropriating or disposing of a portion of the fund. Has the minister that order in council before him, or can he explain the nature of it? I am told that it was to authorize the borrowing and apportionment of some part of the fund.

Mr. BELAND: No money whatever has been appropriated from the canteen fund, by order in council or in any other way, since 1921.

Mr. CLARK: Will the minister say that no order in council was passed relating to a grant of some ten or fifteen thousand dollars from the moneys referred to in paragraph 2 of this resolution, to an organization known as the Dominion Veterans' Alliance or to any other body? There has been a great deal of mystery about this order in council. Surely the minister knows what we are talking about and can give us the particulars. The matter has been referred to at least a dozen times; there is such an order in council, and the minister knows it.

Mr. BELAND: I am giving my hon. friend all the information in my possession. No money whatever—

Mr. CLARK: I know that.

Mr. BELAND: Perhaps my hon. friend will allow me to proceed with my explanation. I say no money whatever pertaining to the canteen fund has been disposed of by order in council.

Mr. MANION: Irrespective of the money having been disposed of, has any order in council been passed dealing with it?

Mr. BELAND: Yes.

Mr. MANION: Will the minister explain that order?

Mr. BELAND: Last year a certain amount of money was appropriated from the disablement fund for the maintenance of the adjustment bureau. That was done after the bill had passed the House of Commons unanimously. No money has been appropriated from the canteen fund.

Sir HENRY DRAYTON: Perhaps I can help the minister's recollection. There are two trust funds: One the canteen fund, the other the trust fund that was very largely created through the munificence of the late Mr. James Carruthers, under which a large sum of money was obtained for the purpose of looking after very grave cases which did not technically fall within the rules. I think my hon. friend will remember those two trust funds?

Mr. BELAND: Yes.

Sir HENRY DRAYTON: Is my hon. friend quite clear that this is not what has happened? A loan of $10,000 was made to the Dominion Veterans' Alliance, another of $10,000 and a third of $5,000, all covered by order in council, that money being taken, in breach of trust, not from the canteen fund, but from the trust fund which I have secondly described, the Carruthers fund; and that the same order in council provided for the return of that money. Of course, the government would know that it was entirely improper to

use trust moneys for a purpose not covered by the trust, so they had to put the money back again, and they propose to effect this by providing that the three trustees whom the government are going to name when the matter is finally adjusted should repay to the government the $25,000 improperly taken out of the Carruthers fund. Now, have I assisted my hon. friend's recollection sufficiently?

Mr. BELAND: I think my hon. friend has stated the facts correctly inasmuch as the last apportionment was made from the disablement fund. The House will remember that two years ago an appropriation was before parliament for the partial refunding of the expenses incurred by organizations presenting claims. That appropriation was not voted at the time, and, if I remember correctly, the disablement fund advanced $5,000.

Sir HENRY DRAYTON: Was it not $25,000?

Mr. BELAND: It may be $10,000, it may be $5,000.

Mr. MEIGHEN: On what authority?

Mr. BELAND: There were no orders in council as far as I remember, dealing with the first payment.

Mr. MANION: The minister admitted a moment ago that an order in council was passed. Would he mind reading the document to the committee so we will be familiar with it?

Mr. BELAND: I have not the order in council.

Mr. MEIGHEN: Perhaps the minister would recognize it if I read it to him? He will have more difficulty I think in defending it than in recognizing it. The order in council is dated September 18, 1924, and is as follows:

Certified copy of a minute of a meeting of the Committee of the Privy Council approved by His Excellency the Governor General on the 18th September, 1924.

The committee of the Privy Council have had before them a report dated 12th September, 1924, from the Minister of Soldiers' Civil Re-establishment representing that the Assistant Deputy Minister of the Department of Soldiers' Civil Re-establishment is the trustee of a fund known as the Disablement Fund which was contributed by patriotic citizens mainly during the years 1915 and 1916 and that this fund is being used generally for the purpose of small loans to pensioners and others who are in need of immediate assistance and who, in the opinion of the departmental investigations, would benefit by such assistance.

The Dominion Veterans' Alliance, which represents the various veterans' organizations throughout Canada has for a considerable time past maintained a service bureau in Ottawa for the purpose of assisting former members of the forces in the presentations of claims in respect of pension, medical treatment and other matters. It is stated by the officers of the Alliance that the service given involves considerable expenditure.

On the introduction of a bill to parliament at the last session to deal with the canteen funds now in the hands of the government provision was made for the setting aside of the sum of one hundred thousand dollars to be applied by a board of trustees to the maintenance of an adjustment bureau in the city of Ottawa. It was intended to utilize the Dominion Veterans' Alliance as the adjustment bureau under the provisions of that bill. Owing to the fact that this measure was introduced during the last few days of the parliamentary session it failed to become law and consequently the moneys which would have been available for the assistance of the Dominion Veterans' Alliance still remain in the hands of the Receiver General. It is proposed to re-introduce the bill early next session.

The minister further represents that in order to enable the Dominion Veterans' Alliance to continue its activities a loan of five thousand dollars ($5,000) was made by the trustee of the Disablement Fund in June, 1924, and that it is now proposed that a further loan of ten thousand dollars ($10,000) be made, subject to reimbursement of the disablement fund should any moneys be appropriated by parliament for the benefit of the alliance or should the proposed allocation from the canteen funds be made.

The minister states that a further loan of ten thousand dollars ($10,000) is being made out of the Disablement Fund to the Dominion Veterans' Alliance, payable as to five thousand dollars ($5,000) on the 1st of October, 1924, and as to five thousand dollars ($5,000) on the 1st of January, 1925, and he recommends that the trustees who may be appointed after the passage of the canteen funds bill at the next session of parliament be requested to reimburse the Disablement Fund the amount of fifteen thousand dollars ($15,000) out of any moneys transferred to such trustees under the authority of the said bill.

The committee concur in the foregoing recommendation and submit the same for approval.

E. J. Lemaire,
Clerk of the Privy Council.

On the recommendation of the minister the government effected a misappropriation of trust funds—admitted on the face of the document to be a misappropriation to the extent of $25,000—trust funds, known generally as the Carruthers fund, contributed by patriotic citizens, for certain definite purposes specified in the trust. Because the government did not get their bill through parliament under which they hoped to support this Dominion Veterans' Alliance, they take the money out of this trust fund and hand it over to the Alliance, and then say, "We will depend on parliament recouping the trust fund." They give, as the reason why parliament has not already made good the breach of trust, that the bill was presented too late last session, and therefore did not pass; the order in council recites that it was because the bill came so late to the House that it did not pass. But the Prime Minister declared that it did not pass because of the obduracy of the Tory

Senate, and because of that obduracy he mounted his charger, raised his sword, and proceeded through Canada on a campaign to clip the Senate's wings. Now the order in council says parliament approved of the bill all right, and it was only because it reached the Senate late that it could not get through. Anticipating the will of parliament, the government passes the money out of the treasury before parliament has any say about it at all—not only passes it out of the treasury, but passes it out of a specific trust fund.

Now will the minister give his opinion of that as an example to the people of Canada? I wonder how that would appear before the depositors, say, of the Home Bank at the present time? What would their opinion be of conduct of this kind on the part of trustees? There is no question as to the facts. No man need start to argue that the use of the funds for that purpose was in accordance with the terms of the trust. If it was, we would not need an order; if it was, the trustee could do it; if it was, we would never suggest a return. The minister says that parliament is going to be asked to return this money; that parliament would have done it before only we were so slow about getting it through the House. The fact is that parliament rejected it. Parliament acted on it; this House passed it; the other House rejected it. But the government is above parliament in both its branches; and of course this is all a part of the great programme of "restoring responsible government to Canada."

Mr. CARROLL: Who were the trustees of this disablement fund?

Mr. MEIGHEN: The trustee is recited to be the Assistant Deputy Minister of Soldiers' Civil Re-establishment. He is the trustee, but the government orders him to dig into his trust funds and apply the moneys to purposes not within the purview of the trust at all, to assist what they call an "adjustment bureau" of the Dominion Veterans' Alliance. And they justify it by saying that parliament will vote the money back into the trust fund some time later. Is that not very much like what the bank teller always says when he takes trust funds—that something will happen later on and that the money will be returned? This government puts its hand on trust funds, casts them where it will, then says, "Oh well, parliament will have to return them in order to save the government."

Mr. BELAND: I think a very simple explanation can be given. It was recognized two years ago that certain organizations were carrying out certain duties on behalf of the ex-service men. Parliament recognized that to the extent of appropriating a sum of money to recoup those organizations which had spent money in so serving the ex-service men. First of all, therefore, that principle was recognized. Last year a bill was introduced into this House making provision for the maintenance of the service bureau at headquarters in Ottawa and the amount of $100,000 was specified in the bill for the purpose. My right hon. friend has admitted—and it is of common knowledge—that this bill passed the House of Commons nemine contradicente—not a single word of opposition from anybody. Questions were asked as to how the board should be constituted, and so on, but the principle was recognized by the House of Commons of that time that canteen fund money could be used for the purpose of maintaining a service bureau.

Mr. MEIGHEN: The point is that it is not canteen fund money that is used at all; it is disablement fund money. That is the whole thing.

Mr. BELAND: I am coming to that. There are two trust funds, the disablement fund and the canteen funds. I hold that the disablement fund can better be used for this purpose than the canteen funds, and that is the view of Sir Arthur Currie. Sir Arthur Currie is of the opinion that unless parliament provides differently, the disablement fund could be put to no better use than that of supporting an adjustment bureau at headquarters. I say that the House of Commons recognized the principle of the maintenance of a service bureau at headquarters and that the House of Commons voted $100,000 for the purpose from the canteen funds. That the bill did not become law was not because the Senate rejected it on the ground of its not deserving their approval; the reasons were well known—they said they had not time to go into the matter fully. These facts being of common knowledge, am I to prevent the adjustment bureau from fulfilling the duties which have been recognized by the House, by withholding from them assistance available from the disablement fund? I would not take any money from the canteen funds for this purpose. Why? Because a bill was introduced in parliament, and although it was approved by the House of Commons it did not pass the Senate and was therefore not adopted by parliament. But after consultation with many who occupy high places among the returned soldiers I was advised that some money might be taken from the disablement fund for the purpose, it being

understood that the funds might be recouped as suggested.

Mr. MEIGHEN: Is the disablement fund in the hands of the government as trustee?

Mr. BELAND: I do not understand so.

Mr. MEIGHEN: Certainly not; the disablement fund is in the hands of a single individual as trustee and the government has no authority over it at all. The fund is in the hands of an individual for a certain definite purpose. That individual being an officer of the government, the government says to him: "You are our officer; put your hands into your trust funds and give us the money."

Mr. BELAND: Does my right hon. friend contend that the disablement fund was not used for a proper purpose when it was devoted to serving the interests of the ex-service men through the adjustment bureau?

Mr. MEIGHEN: It is not a case of the propriety of the purpose; it is a case of the purpose not being the purpose of the trust fund. There are lots of good purposes.

Mr. BELAND: What is the purpose of the trust fund?

Mr. MEIGHEN: The purposes are recited in the minister's own order in council. If this is in fulfilment of the purpose why does the minister provide for the return of the money?

Mr. BELAND: The loans that are made from the disablement fund are generally very small loans.

Mr. ARTHURS: What is the total amount loaned from that fund up to date?

Mr. BELAND: I think it is $15,000 in the order in council.

Mr. ARTHURS: The appropriation is much more than $15,000.

Mr. BELAND: My hon. friend will remember that two years ago an appropriation was made by the House in the amount of $150,000 for partial refund.

Mr. ARTHURS: That was passed by parliament. It was a vote of the House; it was not a case of—shall I say?—misappropriation of trust funds. But if the trust fund has been diverted why should the minister in the order in council use the words "be requested to return"? Why should there not be an order to return any moneys so appropriated?

Mr. BELAND: My hon. friend will know that the man in charge of the disablement fund has a sort of surveillance over it; he keeps a good guard around his fund and seeks reimbursement.

Mr. ARTHURS: Pardon me—

Mr. BELAND: Oh yes.

Mr. MANION: Who is the trustee?

Mr. BELAND: The Assistant Deputy Minister. I have no objection to naming him; Mr. Scammell, an appointee of the late government, a man who is discharging his duty properly—

Mr. MEIGHEN: Nobody attacks him.

Mr. BELAND: I am satisfied that I was justified in doing that, and I am satisfied also that my right hon. friend would not have done otherwise.

Mr. CARROLL: Did I understand the hon. member (Mr. Arthurs) to say that this parliament had already dealt with a part of the disablement fund?

Mr. ARTHURS: No.

Mr. MEIGHEN: Oh, no; that is the whole point. It is not subject to the disposition of parliament at all. It is bad enough for the minister to be a party to this transaction without attributing similar conduct to others on a mere supposition.

Mr. BELAND: I may say in that regard that if I am guilty, the right hon. gentleman must knock his conscience three times because he himself when he was Prime Minister appropriated $202,000 of the canteen fund.

Mr. MEIGHEN: Yes, from the canteen fund, and this government out of the funds in their own possession would have the right to anticipate the will of parliament, taking its life in its hands; but it has no right to go into a trust fund of which it has no disposition at all, and never had any, and authorize the man in charge of that trust, merely because he is their own officer, to dip his hands into that trust and hand the money over to a veterans' alliance or to anybody else; that is the point I am making. In exigent circumstances the government, the trustee of the country, can, by Governor General's warrant or other process, meet that exigent circumstance, and then come to parliament for approval. That is the manly stand the government should have taken if they thought the circumstances were an exigency demanding a loan from the treasury. But on the contrary, that is what the government does: It dips its hands into a private trust fund, which is in the hands of an officer of the government, a trust fund the purposes and the destiny of which is clearly and plainly set out, and it says to its own officer, "We order you to take that money and hand it

over to the Dominion Veterans' Alliance; expect your return out of a bill which parliament last session rejected but which we hope next session it will pass."

Mr. ARTHURS: I would like to point out to the minister that his answers in this matter have not been very frank.

Mr. BELAND: Oh, yes, very frank.

Mr. ARTHURS: A few days ago I asked whether any moneys had been appropriated from the canteen fund by order in council or otherwise, and the answer of the minister was a distinct negative. Now, if the minister's contention is right, and the moneys appropriated by the order in council now before the House will be returned, the minister was at least begging the question.

Mr. CARROLL: I have never seen the trust, but I have a general idea of what the disablement fund was for. I presume it was in the general interest of the returned soldiers of this country, and was to be looked after by the deputy.

Mr. MEIGHEN: The presumption is loose and wrong. This was a loan for certain definite purposes of returned soldiers, to assist the disabled by money appropriation, and the thing is clearly set out in the letter of gift. It is not for any general purposes of the returned soldier.

Mr. CARROLL: I still hold that this trust was for the purpose of assisting the returned soldiers, and the most likely and the most reasonable presumption is that it would be to assist disabled returned soldiers. Now we have in Ottawa an organization which has been looking after the returned soldiers of this country, and looking after them I think fairly well. Last year, as was pointed out by the minister, this House undertook to do something with the canteen fund which had been in the hands of the government since the end of the war. I am not going to discuss now the reasons which the Senate may have had for rejecting that bill—which was passed unanimously by this House—providing that the canteen fund should be distributed in a certain way. It was passed by this House very late in the session, it is true, and the Senate saw fit—and I am not criticizing that body at all—to say that they would not pass the bill because of the lateness of the session; that probably was a fairly good reason. The Department of Soldiers' Civil Re-establishment consequently found themselves in this position: This House had decided that a certain sum of money should be given to this organization for the purpose of looking after returned soldiers, but when the bill did not pass, they did not have the money to give. Now my right hon. friend the leader of the opposition (Mr. Meighen), has made the point, and made it very well, that the department could then have said: We will take $100,000 out of the canteen fund and hand it over to this organization, expecting that parliament next year will approve the canteen fund legislation. Now what difference would that make? I dare say that those who are adversely criticizing the action of the department to-day would have done so in that case because neither this nor any other government would have any right to deal with the canteen fund in the way suggested. But if they have that right, then I say this government has the right to say by order in council: We have this money for a distinct and separate purpose; we have not outlined what the distinct and separate purpose is, but we do know by the trust which was created what the disability fund is for; we will therefore borrow $25,000 from the disability fund and help out the returned soldiers of this country in the way the House of Commons decided they should be helped out, and if necessary we will return it.

4 p.m.

Mr. ARTHURS: Why, "if necessary?"

Mr. CARROLL: If necessary for the returned soldiers. I may point out to the hon. member that there must certainly have been a necessity when the minister asked for this $100,000 vote, and this House must have felt there was a necessity because they voted that money without a dissenting vote.

Mr. ARTHURS: I asked the hon. member why he said "if necessary" return it to the trust fund.

Mr. CARROLL: I say, if there was any question about the desirability of returning it to the trust fund. I am not saaying it would be legally necessary; it may be, I do not know. But I cannot see that there has been anything in the nature of fraud or of improper dealing with a trust fund. Everything was done openly by order in council, which was open to the public gaze.

Mr. CLARK: Does that justify misappropriation of funds?

Mr. CARROLL: There was no misappropriation.

Mr. MEIGHEN: Was the order in council published in the Gazette?

Mr. CARROLL: I do not know.

Mr. MEIGHEN: It was not.

Mr. CARROLL: I have never time to read the Gazette after parliament closes, but I notice my right hon. friend got the order in council. If there was anything secret about it, if they could frighten the deputy into making a recommendation to council, surely they could frighten the department sufficiently to have the order in council kept secret.

Mr. MEIGHEN: I will tell the hon. member the secret. I got it through the mail marked "Secret", with no name appearing on the envelope or anywhere else. I have no idea who sent it, but it was evidently someone who understood its nature.

Mr. CARROLL: I am certain the minister did not advise his officers to keep it secret; but if he did, he should investigate and ascertain who the scoundrel was in his department that gave it out. Knowing the Minister of Soldiers Civil Re-establishment as I do, and knowing what he has done for the returned soldiers, I do not for one moment think he had any desire to keep it a secret. How could he keep it a secret? The matter had some day to come before this House.

Mr. STEWART (Argenteuil): There is no secrecy about orders in council.

Sir HENRY DRAYTON: Oh? We cannot get them.

Mr. STEWART (Argenteuil): Oh yes you can, and you are getting them.

Mr. CARROLL: I am very glad to know that the minister has pointed out, in regard to section 4, that the item representing the allotment to Nova Scotia and Prince Edward Island, will be corrected. I do not see any good sound reason for putting them together. As a matter of fact, I think they would have a good deal of trouble in disbursing this fund if they left it in that position, because the Governor in Council in each province might appoint a separate and distinct board, as they probably would. I think there is nothing else to be done. When the act is brought down, I think this matter will be corrected. The same remark applies in the case of British Columbia and the Yukon. Their local governments are administered under entirely different organizations. They have a commission, I believe, in the Yukon.

Mr. MANION: We are not quite finished with this canteen fund. Might we not finish that before we deal with the other section of the bill?

Mr. CARROLL: I want to give the minister the benefit of any ideas I have on the general act.

Mr. MANION: The hon. gentleman will have plenty of opportunity.

Mr. CARROLL: The same reason that exists for separating Nova Scotia and Prince Edward Island in my opinion exists for separating British Columbia and the Yukon, because they have two governmental organizations in the province and district, and it will lead to trouble if left as it is. They have no lieutenant governor in the Yukon but they have in British Columbia.

I intended asking the minister a few other questions on this matter, but I will only ask one at the present time, because it refers to the matter before us. What item in this resolution refers to replacement of the $25,000 which was referred to in the order in council by the right hon. leader of the opposition?

Mr. BELAND: There is no such provision in the resolution.

Mr. HANSON: For the benefit of those who do not understand the history of the fund, I ask that the deed of trust or letter of trust be laid on the table. It seems to me a very serious charge has been laid at the door of someone in connection with this matter, and in order that we may properly understand the situation it is absolutely necessary that the House should know affirmatively what are the terms of the deed of trust, and I ask the minister to produce the deed of trust.

Mr. BELAND: I advised the assistant deputy minister to loan that money to the Veterans' Alliance, because the association was in my opinion discharging duties which were important to the ex-service men. He consented to make the loan, and if the same thing occurred again I would make the same recommendation. And why?

Mr. MEIGHEN: Is this money that the assistant deputy pays out submitted to the Auditor General?

Mr. BELAND: I do not think so.

Mr. MEIGHEN: Is not that the reason it is done in this way?—The other payments would have to be submitted to the Auditor General.

Mr. BELAND: That is not the reason it was done.

Mr. CARROLL: As I understand the matter, it is simply assuring the trustee of the fund

that he will be reimbursed these moneys. There will be no act of this parliament affirming that.

Mr. BELAND: It is true there is no provision that will force anybody to reimburse him, but even if the loan were not repaid into the disablement fund, where is the harm? Have not the interests of the ex-service men been served by the amount that has been loaned?

Mr. MANION: Possibly, but that disablement fund was for a specific purpose, and this is for an altogether different purpose. Will the minister tell me to whom this money was paid? It is stated that it was paid to the Dominion Veterans' Alliance. How much money was paid to them and to whom?

Mr. BELAND: Whatever money was paid must have been paid to the secretary treasurer of the association, and I think the gentleman was Mr. MacNeil.

Mr. MANION: I am informed by one officer of that alliance that not one cent was ever paid to the Dominion Veterans' Alliance. He does not dispute the statement of the minister, but he says that the Dominion Veterans' Alliance never received a cent of it—that Mr. MacNeil did. I am not criticizing Mr. MacNeil. He was secretary of the Great War Veteran Association, but that association was only part of the Dominion Veterans' Alliance, and this officer states that the Dominion Veterans' Alliance never received the money or had anything to do with it, that it was handed to one of the officers, Mr. MacNeil, and that, as far as the Dominion Veterans' Alliance is concerned, they never saw it. That is the information I got from one of the officers, and he gave me permission to make the statement.

Mr. HANSON: Is there any reason why the minister should not produce, for the benefit of hon. members who are not familiar with this matter, the deed of trust under which this disablement fund was created. It seems to me that that is elementary. We could then determine the matter for ourselves. I ask the minister, and I am going to persist in asking him to produce the trust deed for the benefit of the members who do not know the details of the matter. It is only fair that we should know what the deed of trust was.

Mr. BELAND: I have no objection to giving my hon. friend what he requires.

Mr. MANION: Will the minister produce the cheques or receipts showing how the money was disbursed and showing who got the money, so that we can see how much money was really paid out?

Mr. BELAND: What is the request?

Mr. MANION: To bring the cheques or receipts, as well as the documents asked for by the hon. member for York-Sunbury (Mr. Hanson), which would show to whom the money was paid and by whom cashed. Bring the cheques if possible, or whatever vouchers the department has, in order to show to whom the money was paid, as to whether this payment was made to the Dominion Veterans' Alliance, as the gentleman from that association says they never saw it.

Mr. BELAND: If the cheque was written to the order of the secretary treasurer of the Dominion Veterans' Alliance, and that secretary endorsed it, would that be regular?

Mr. MANION: I do not think there would be anything irregular in that. I want to see if that was the way it was done, as these gentlemen say they never saw it.

Mr. CARROLL: When the minister brings down that information will he also bring down the order in council of 1921 authorizing the payment of $200,000 out of the canteen fund, also to whom it was paid and for what purpose.

Mr. MEIGHEN: I want to get the minister's mind in order on a distinction he persists in not seeing. This fund is not a fund over which the government has control. This is a disablement fund, in the hands of an individual, subject to disposition provided in a specific declaration of trust, and the minister has admitted that the Auditor General has no right to deal with the cheques after payment. I do not doubt that he is right. My understanding is that it is a fund over which the government has no control at all, it is not in the Receiver General's hands and the money never was in his hands. It is not under the disposition of the government. It is under the disposition of a private individual who happens to be an officer. The canteen fund on the contrary is a fund in the Receiver General's hands. It may be anticipated that the government feel that the circumstances are such as to justify it, and then submit the matter to parliament. I submit first of all that the government under no circumstances at all had any right to authorize one of its officers to commit a breach of trust. The minister says that there is no breach of trust so long as it is for the general benefit of the ex-service men. If that had been the purpose of the men who gave the money, they would

have said so. That was not the purpose at all. The purpose was to assist a certain class of veterans under certain circumstances. For the minister to say that as long as the money goes to some organization that calls itself an alliance, the government's hands are washed of the whole thing, is a very loose view to take of public responsibility, especially in trusteeship. I venture to say that if any individual came before the courts of Canada in that position, his liberty would be short-lived.

Mr. CARROLL: Would not a trustee be allowed to make a legitimate loan of part of these funds?

Mr. MEIGHEN: That depends on the trust deed. As long as he is giving it in terms of the trust deed, all right. But the very order in council shows that this is not the purpose at all. The order in council shows what the money was for and then goes on to say: We will authorize them to use it for something else, on the supposition that it will be subsequently returned.

Mr. CARROLL: It is in the nature of a loan.

Mr. MEIGHEN: Certainly, but has a bank teller a right to make a loan of the bank's money on the supposition that it will be subsequently returned? Has a bank manager that right?

Mr. CARROLL: He has.

Mr. MEIGHEN: Oh, oh.

Mr. CARROLL: Of a trust fund?—yes, of a trust fund.

Mr. MEIGHEN: The minister, under present circumstances, would have no right to put his hands on the canteen fund and anticipate its return. Inasmuch as parliament has already acted in respect of the matter, whatever parliament's reasons may have been, the minister has no right to impute reasons in the conduct of his office now. Parliament has rejected the proposal of this government to use the canteen fund for this purpose. In the face of that rejection, the government has no right to assume that parliament now would be of another mind. If parliament had never acted in the matter at all, the case would be different; it would come under the general rule. But parliament having acted, the minister is bound to take the will of parliament, and I venture to suggest that the minister would have gone into the canteen fund and presented his cheques to the Dominion Veterans' Alliance, but for the fact that the Auditor General would not have passed the cheques. The Auditor General, in face of the decision of parliament, would not have been justified in passing the cheques. That could not be done; there was someone on guard. So the minister goes about the matter through another official who has charge of another fund over which the government has no control, and he orders the money out of that fund, saying: We will depend upon parliament taking another view of the canteen fund next session.

Mr. ROSS (Kingston): Did the administrator of this disablement fund, who is the assistant deputy minister of this department, voluntarily pay out this money, or did he make any objection, in writing or otherwise, to the minister?

Mr. BELAND: He made no objection that I remember. Naturally, the man who has this fund in trust would like to keep it as complete as possible. When he makes a loan, he endeavours to secure repayment of it.

Mr. MEIGHEN: Did he get an order in council on any other occasion than this?

Mr. BELAND: I do not know.

Mr. MEIGHEN: I think the minister will find that he did not.

Mr. CLARK: Has a cheque been drawn at any time and submitted for signature or payment to the Auditor General for any of the amounts mentioned in this order in council, P.C. No. 1596, or any portion of the amount mentioned therein?

Mr. BELAND: I do not think so. That is my opinion.

Mr. CLARK: Will the minister secure a definite answer on that subject before this resolution passes?

Mr. BELAND: Surely.

Mr. CLARK: Was the Auditor General requested to pass an appropriation from the canteen fund for this amount or any portion of this amount mentioned in this order in council?

Mr. BELAND: The Auditor General was never requested by this government to pass any amount from the canteen fund.

Mr. CLARK: Does the minister suggest that it was recognized by this House that the canteen fund or any portion of the sum of $100,000 mentioned in paragraph 2 of this resolution should be appropriated for the purposes of the Dominion Veterans' Alliance?

Mr. BELAND: No.

Mr. CLARK: In the face of the minister's answer, "no", to that question, he now suggests to the committee that the government is justified in securing a loan from trust funds for other purposes, to be paid to the Dominion Veterans' Alliance and to be repaid out of the sum of $100,000, which he expects to be voted at this session from the canteen funds. If we pass this resolution, if legislation goes on the statute books relating to this matter, we can readily see the delightful position that these trustees are going to occupy. They are not trustees at all. They are just agents of the government. Whenever the government tells them to hand over $20,000 to any organization whatsoever, they must do so. In fact, even before the trustees are appointed, the government arranges for the approporiation of $20,000 and intimates that when these trustees are appointed, they will impose upon the trustees the duty of paying out that sum of money. Why appoint trustees if the government is going to manage this fund or to dictate to the trustees how the fund is to be spent? The very thought is preposterous that moneys which belong to the returned soldiers of this country are being appropriated by this government for such purposes, or that there is a proposal to that effect.

Mr. BELAND: It is going back to them.

Mr. CLARK: It is going back to them?

Mr. BELAND: Not back—it is going to them.

Mr. CLARK: Does the minister now say that no portion of this sum of $100,000 which he expects to be appropriated from the canteen fund and placed under this central board of three trustees is going to be paid to the Dominion Veterans' Alliance?

Mr. BELAND: If the trustees are willing to reimburse the disablement fund, they may do it, and if they do not choose to reimburse the disablement fund the loan will not be paid, but the amount will have been spent for the benefit of the ex-service men. Does my hon. friend dispute that?

Mr. CLARK: In other words, the minister says that he is not going to exercise any coercion over these trustees, though he has already passed an order in council stating that he will tell these trustees that they must appropriate this $20,000 as soon as they are appointed. Now he says that he will not exercise any coercion over them, and if they refuse, the result will be that the trust funds which have been misappropriated and which belong to the disablement fund will never be repaid.

Mr. BELAND: I do not agree with my hon. friend that the trust funds have been misappropriated in the sense that they have been taken away from the ex-service men.

The CHAIRMAN: The word "misappropriated" has a peculiarly significant meaning. I have been looking it up in Crankshaw. It is not within the range of expressions that may be used in the House of Commons.

Mr. MEIGHEN: Any charge at all can be laid against a government, and it is against the government that we are laying the charge. You may lay a charge of misappropriation, or theft or anything else against the government.

The CHAIRMAN: I would call the right hon. gentleman's attention—

Mr. MEIGHEN: Perhaps the Chairman will show me where, under the rules, this cannot be done.

The CHAIRMAN: I do not need to refer to the rules to substantiate the ruling that the expression that has been used is not within the compass of those that may properly be directed against a minister.

Mr. MEIGHEN: All ministers are responsible for actions of the government, and so long as an expression is directed against the government there can be nothing unparliamentary about it.

The CHAIRMAN: I quite agree with that, but I disagree with the contention that a remark may be directed to a minister questioning the honesty of his own conduct.

Mr. CLARK: When I was interrupted I was about to point out that these moneys belong to the disablement fund and are unquestionably in trust; as recited here, they were subscribed by patriotic citizens during the war to be used generally in the making of small loans to pensioners and others in need of immediate assistance. There is the sole purpose of the fund; that is what it was created for. And here we have a portion of these moneys appropriated and paid to an organization, the minister being unable to give us any details whatever of what it was used for. He cannot tell us whether it was used for the purpose of paying salaries, nor can he assure us that there is any probability of its being returned. He admits, as he must admit in view of the terms of the order in council, that these moneys were taken out of the trust fund, contrary to the express object for which they were subscribed. He attempts to justify that course of action before this committee, yet cannot give us any assurance

that the moneys will be repaid, nor can he assure us that the trustees of the canteen fund when appointed will be trustees in fact, free from government control. It is a pretty mess that the minister has got himself into, as far as I can judge.

Mr. HUMPHREY: I merely rise to bring to the attention of the committee something that has taken place in previous years and which probably has been overlooked. I cannot really follow the line of reasoning of our friends to the right on this particular question; perhaps I may be able to follow them in other respects but not on this question. There seems to be a good deal of criticism of the action taken by the minister (Mr. Beland) in allocating certain sums, which were held in trust, to a representative of the Dominion Veterans' Alliance. Personally I would commend the minister on the judgment he used in this matter. It is a well known fact that the Veterans' Alliance have decided amongst themselves to appoint one of their number to speak on their behalf, and before all previous special parliamentary committees which have considered these various questions, the Dominion Veterans' Alliance have had a spokesman. In the majority of cases they have been represented by Mr. MacNeil, who has proved a very admirable representative.

I think that possibly this question has come up to-day much in the same way as a similar question was brought up in 1921, and it would be interesting if hon. members of the committee would refer to the final report on the second part of the investigation which was carried out by what has been called the Ralston commission. Looking over that report I find that the government of that day, that is to say, 1921, passed a good many orders in council along the same line. We need only refer to Nos. 2378, 3648, 3519, 3762, 3647 and many others, which have to do with the allocation by the government of certain funds that were held in trust.

Mr. MEIGHEN: Who would allocate them if the government did not?

Mr. HUMPHREY: But the question came up nevertheless as to whether the government had the power to allocate funds which it held in trust and which were the property of the men throughout Canada at that time. As the leader of the opposition (Mr. Meighen) knows, the question arose in 1921 as to the right of the government to take to itself that authority, and in my opinion the present minister, in allocating say $25,000, in the way that has been indicated, can point to a very strong precedent established in 1921. I think it would be well for hon. gentlemen to read over these orders in council to which I have referred, inasmuch as the question did arise as to what authority the government had in the circumstances. Those moneys at that time were held in trust for the returned men throughout Canada.

Mr. CARROLL: Subject to the action of parliament.

Mr. HUMPHREY: Yes, and practically in the same manner as in the case of the present order in council which has come under discussion.

Mr. MEIGHEN: The hon. member is not within a mile of the point.

Mr. HUMPHREY: I take it that the two things are similar.

Mr. CARROLL: Can the hon. member tell us what amounts were appropriated in 1921?

Mr. HUMPHREY: I should say, roughly speaking, about $100,000.

An hon. MEMBER: For what purpose?

Mr. HUMPHREY: The various reasons are set forth in the orders in council; moneys were given to every individual returned soldier organization for certain purposes. As I size up the present situation, I should say that there is some similarity between it and the condition I have described as existing in 1921. If the government had authority in the matter then, I should say the government would have the same authority now, subject to the approval of parliament.

Mr. ARTHURS: I agree entirely with the hon. gentleman, but in the former case the government of the day published an order in council and used the canteen fund for the benefit of returned soldiers; in this case the government did not take that action, they went to the Carruthers fund.

Mr. HUMPHREY: Was not the canteen fund at that date held in trust? And is not this practically the same thing?

Mr. MEIGHEN: Mr. Chairman, the hon. member complains that he cannot follow the reasoning of this group to his right. I am afraid that I shall have to say in all deference to him that until he gets a lot closer to the subject he can never expect to follow our reasoning. He is off the line altogether. The canteen fund is in a sense a trust fund. This is a trust fund. But the difference is that the government is trustee of the canteen fund; it has nothing to do with this trust fund. I wonder if an officer of this govern-

ment, say the Deputy Minister of the Interior, were treasurer of the Red Cross fund, would the hon. gentleman say that the government would be quite justified in ordering that man to dip his hand into the Red Cross fund to help out the situation that the government wanted to help out at the moment? Does he think so?

Mr. HUMPHREY: I would hardly think so. But I still question the right of the government in 1921 to dip their hand into the canteen fund.

Mr. MEIGHEN: If the hon. member questions the action of the government in 1921, why was he a party to the justification of it in voting the money? Because it was right. I am not questioning that action at all, I never did. This House, controlled by a government opposed to us, voted the money, and thereby ratified what we did. Therefore it is a little late now to question our action. The government had to determine, subject to the will of parliament, how to best carry out that trusteeship. The government was trustee, the fund was in the hands of the government and subject to the audit of the Auditor General. In determining what action to take we were subject to the ratification of this House. Here is a fund over which the government has no control at all; it is a fund in the hands of an individual, and the purposes for which it is to be applied are clearly set out in the order in council—for loans and pensions to individual disabled men. That is what the contributors to the fund wanted the money used for. But because the trustee happens to be one of its officers, this government says to that trustee, "Put your hand down in the treasury and give us this money, hand it over to the Veterans' Alliance, because we believe in the purposes of the Alliance."

Mr. HOEY: Had the trustee power to refuse in this case?

Mr. MEIGHEN: Yes, I say most frankly he should have refused, no matter who appointed him. A trustee has no justification whatever for taking dictation from the government; the only dictation he should submit to is the dictation of the deed of trust.

Mr. CRERAR: Can anyone here give us the terms of the deed of trust?

Mr. MEIGHEN: Yes, it is recited in the order in council:

> The Committee of the Privy Council have had before them a report dated 12th September, 1924, from the Minister of Soldiers' Civil Re-establishment, representing that the Assistant Deputy Minister of the Department of Soldiers' Civil Re-establishment is the trustee of a fund known as the Disablement Fund, which was contributed by patriotic citizens mainly during the years 1915 and 1916, and that this fund is being used generally for the purpose of small loans to pensioners and others who are in need of immediate assistance and who, in the opinion of the departmental investigations, would benefit by such assistance.

That is the purpose of the fund.

Mr. CRERAR: Of course, that does not give the terms of the trust in full.

Mr. MEIGHEN: I have no doubt the terms are set out more fully elsewhere, but this gives enough to make it clear that the fund was not intended, for example, for the purpose of a $25,000 loan to the Dominion Veterans' Alliance who were carrying on activities all over Canada, activities for the benefit of the men who were just as well as you and I. Is that a purpose within the meaning of the clause as there defined?

Mr. CRERAR: I am inclined to agree with you.

Mr. MEIGHEN: It is the plainest possible breach of trust. The minister gets this money, over which he had no disposition at all, which does not go before the Auditor General, and consequently is not within the disposition of the government as such, and he says to the trustee, "Use that money for this purpose." Then we are asked to justify it because the funds over which we have control were disposed of in anticipation of the judgment of parliament.

Mr. SPEAKMAN: The order in council states that these funds are being generally used for the purpose of assisting individual cases. Does the deed of trust specify that the funds shall be used only for that purpose, or is it simply indicated by the order in council that it is being used generally for that purpose? This seems to me to be an important point.

Mr. MEIGHEN: I have not seen the deed of trust, but on the minister's admission there is a private trustee, there is no trusteeship in the government. Consequently the government had no authority to order the trustee to do this at all. Further, if by any possibility the trustee were justified in using the money to this end, this order in council would never have been necessary. The fact that the order in council exists shows that there was a diversion of the trust fund, and the fact also that the Dominion Veterans' Alliance is to get this money back on a request, as it is put, of these trustees to be appointed, shows it is trust funds that have been diverted.

Mr. MANION: I am going to ask the minister three questions in the hope that he will be able to give me answers to them. These questions, I think, will show the difficult position in which he and the government are placed under certain circumstances. In the first place, suppose the House of Commons, or the Senate, or the Parliament of Canada at this session refuse to pass legislation dealing with the canteen fund, suppose they do as the Senate did last year, throw it out, where is the minister going to get the money to enable Mr. Scammell to recoup his trust fund which money he, on the order of one of his superior officers, loaned to the government to pay salaries or something of the sort? Second, suppose the legislation does pass and these trustees are appointed, and suppose then they refuse to pay back the money, saying, "We had nothing to do with the $25,000 spent last year; we are appointed to deal with the future, not with the past, and we refuse to pay back this money to the trust fund from which it was borrowed," where will the government get the money? Third, suppose that the government cannot get the money to pay it back—I do not know how the government can pay this money back except by getting the proposed legislation enacted and appointing trustees who will be willing to pay it back—if the government do not get the money to pay it back to Mr. Scammell, what position would he be in? —because the order in council distinctly states that this money was in the hands of Mr. Scammell as trustee for the purpose of making small loans to disabled veterans. He would be $25,000 short, and he would certainly be liable personally to the trust fund for that money; I do not think there is any question about that. Will the minister answer those three questions?

Mr. BELAND: The matter reduced to its simplest form is that a loan has been made by Mr. Scammell to the Dominion Veterans' Alliance. That is the fact.

Mr. MANION: Even that fact is disputed.

Mr. BELAND: That the loan has been made?

Mr. MANION: No, the fact is disputed by one of the officers of the Dominion Veterans' Alliance that they ever got the money.

Mr. BELAND: My hon. friend surely does not seriously contend that the money was not paid to the Dominion Veterans' Alliance?

Mr. MANION: I seriously contend that one of the officers of the—

Mr. BELAND: If my hon. friend will permit me to continue.

Mr. MANION: My hon. friend asked me a question; I was going to answer him.

Mr. BELAND: If the money has not been paid it is in the trust fund.

Mr. MANION: Not necessarily, it may have been used for other purposes.

Mr. BELAND: Well, it has been paid out. My hon. friend will admit that?

Mr. MANION: I think probably it has. That is one thing we will admit.

Mr. BELAND: The money has been paid out as a consequence of Mr. Scammell consenting to make a loan to the Dominion Veterans' Alliance. That is admitted also?

Mr. ROSS (Kingston): Did he consent?

Mr. BELAND: Surely he did; otherwise the loan could not have been made.

Mr. ARTHURS: What about the order in council?

Mr. BELAND: What order in council could force him to make the loan? The right hon. gentleman (Mr. Meighen) has stated twice in my hearing that the trustee could have objected and refused to make the loan. That is very clear. He made the loan. My hon. friend questions the payment of this money to the Dominion Veterans' Alliance.

Mr. MANION: I question it—if the minister will allow me to correct him—on the statement of one of the officers who says that the Dominion Veterans' Alliance did not get the money. He does not say that some officer did not get it, but he does say that the Dominion Veterans' Alliance never had the handling of it.

Mr. CRERAR: Who was the officer?

Mr. MANION: I do not know that I need answer that.

Mr. BELAND: Somebody must act for the Dominion Veterans' Alliance. You cannot pay the money to a piece of paper bearing on its face "Dominion Veterans' Alliance"; you must pay it to somebody who represents that organization, somebody who is authorized to act for the organization; in this instance I think it must be the secretary treasurer, though I am not absolutely sure about that. It has been made plain to the committee that six or seven different Dominion-wide organizations have got together and formed what is known as the Dominion Veterans' Alliance

with a president, a vice president and a secretary treasurer. Mr. MacNeil is the secretary treasurer of the Dominion Veterans' Alliance.

Mr. HOEY: Is he secretary of that organization at the moment?

Mr. BELAND: Yes, I think he is, and has been from the first. He happens to be at the same time, I think, secretary of the Great War Veterans' Association. But it is not for me to say whether he should be in either one place or the other; he happens to be there, and the loan has been made to him. If it is not paid back into the trust fund the trustee will be in the position of having made a loan in the interests of ex-service men to assist them in presenting their claims—disabled men who have claims to present to the department and to the Board of Pension Commissioners. The spirit of the trust is preserved. Does my right hon. friend say that the spirit of the trust is not preserved?

Mr. MEIGHEN: I say the spirit of the trust has been brazenly violated.

Mr. BELAND: I do not agree with my right hon. friend. He is very insistent in his assertion that we have violated the trust. Does he say that the canteen fund could be regularly disposed of without action of the Canadian parliament?

Mr. MEIGHEN: The canteen fund, like any other trust fund in the disposition of the government—for the government is trustee of all its funds—can regularly and constitutionally be disposed of in anticipation of parliament. The only question is, are the circumstances so exigent as to demand it—that is all. But that law does not apply and that rule does not apply to a fund over which the government has no control.

Mr. BELAND: The government did not make the loan; the government did not take the money from the trust fund. Representations were made to the minister in charge that the maintenance of a service bureau would be impossible unless assistance was given. The minister in charge, who happened to be myself, asked the man in charge of the fund to make a loan to these people. I did that, and I am not sorry for it; I would do it again because it is right. The loan has been made, and it has served what purpose? It has helped the Dominion Veterans' Alliance, or the men who are in it, to discharge important and useful duties to returned men generally in Canada. That is what has been done with the money.

[Mr. Béland.]

Mr. MEIGHEN: Was that why the money was given to this trustee?

Mr. BELAND: I believe so.

Mr. MEIGHEN: "To discharge important and useful duties to returned men generally in Canada"?

Mr. BELAND: Surely, that is the spirit of it.

Mr. MEIGHEN: Well, if the minister cannot see the distinction I am afraid there is no use of proceeding further. That was not the spirit of it at all. What is the sense of talking about the spirit and the letter and all the rest of it? The thing is as plain as words ever were. It is one thing to devote money to a trusteeship, to a trust for the purpose of returned men generally, disabled and undisabled alike, the well-off and the poor alike—that is one thing; but it is a wholly different thing to devote money to a trust for the purposes of disabled men only, for loans to small pensioners and the like who are disabled. Yet the minister stands up and says: We have helped the returned men generally by this action; I am proud of it and I would do it again.

Mr. STEWART (Argenteuil): Has not my right hon. friend missed something just as important as the stress he lays upon the making of loans to pensioners only? If the order in council contains a proper quotation of the trust, and I take it that it does—

Mr. MEIGHEN: I did not say pensioners only; I said disabled men.

Mr. STEWART (Argenteuil): My right hon. friend is stressing the point that this trust fund was for one purpose only, that of loans to and assistance to pensioners and others in need of funds.

Mr. MEIGHEN: Disabled men.

Mr. STEWART (Argenteuil): Yes, but it also says, "to others who are in need of immediate assistance," and it says that the decision is not altogether in the hands of the trustee. I would prefer not to say very much about this until I have seen a copy of the trust itself, but I take it that this is a fairly definite statement of what is contained in the trust. Not only that, but it goes on further to say, "who in the opinion of the departmental investigations." Surely my right hon. friend will not contend that one individual, in the person of Mr. Scammell, had the absolute disposition of that fund, to whom he might seek to give it? Loans are specified to individuals and others, and the investigation is to be departmental.

Mr. MEIGHEN: Does my hon. friend suggest to the committee that this fund, which is known as the disablement fund, can legally be given in any way to men who are not disabled at all?

Mr. STEWART (Argenteuil): I do not know, because I have not seen the deed of trust.

Mr. MEIGHEN: Is the minister not bound to know that before he can support this proposal?

Mr. STEWART (Argenteuil): I am quoting the very words here, in the preamble.

Mr. MEIGHEN: The preamble intimates clearly it cannot.

Mr. STEWART (Argenteuil): I differ from my hon. friend. It says "and to others who would benefit by such assistance."

Mr. MEIGHEN: Disabled pensioners and others.

Mr. STEWART (Argenteuil): Here is the document. I will hand it to my right hon. friend.

Mr. MEIGHEN: Very good; I have it here too. I do not think it could be called a "disablement fund" to start with if it is a fund for the undisabled. If what the Minister of Soldiers' Civil Re-establishment says is right, then there is no need of this order at all.

Mr. STEWART (Argenteuil): I am not raising that point.

Mr. MEIGHEN: Here is what it says:

> This fund is being used generally for the purpose of small loans to pensioners and others who are in need of immediate assistance and who, in the opinion of the departmental investigations, would benefit by such assistance.

Mr. STEWART (Argenteuil): That is the point.

Mr. MEIGHEN: Very good; the trustee gets the benefit of the departmental investigations.

Mr. BELAND: Does my right hon. friend still maintain that it is a fund to pensioners?

Mr. MEIGHEN: No, I never said it was.

Mr. BELAND: My right hon. friend just said that.

Mr. MEIGHEN: No, no; I say it is not for the undisabled—that is, from all the indications here; I have never seen the deed of trust, as I have repeated over and over again.

Mr. BELAND: All who are war disabled are war pensioners.

Mr. MEIGHEN: I know some who are not; and there would be disabled men who would be disabled before they would be pensioners, and the fund could be used for them. But I have not seen the deed of trust. I know this, that a fund known as a "disablement fund" may be presumed not to be for the undisabled. Secondly, I know that if it were for all alike, for general purposes, there would have been no need of this order in council at all.

Mr. BELAND: As far as I am concerned I will say this: No loan was made from the disablement fund with my consent or at my request before I had secured from the chief donator and Sir Arthur Currie an expression of their views, and their view is that it can be used for an adjustment bureau.

Mr. MEIGHEN: Does the minister say he has that from Mr. Carruthers?

Mr. BELAND: Yes, it was secured from him.

Mr. MEIGHEN: Is it in writing?

Mr. BELAND: I think I can have it in writing.

Mr. MEIGHEN: I would be very glad to get it.

Mr. BELAND: At all events it was requested from him and he expressed his view, as did Sir Arthur Currie also. Does my hon. friend say Sir Arthur Currie did not?

Mr. MEIGHEN: I do not know anything about that, nor do I care. What matters is the deed of trust, and that deed of trust Sir Arthur Currie and no other man can change.

Mr. BELAND: My hon. friend is an adroit and skilful lawyer—

Mr. MEIGHEN: Not at all.

Mr. BELAND: Yes, everybody will grant him that, but upon this point, although he has used all his adroitness and his skill, he cannot succeed in putting the minister wrong. My view is that the Dominion Veterans' Alliance was discharging a useful and important duty to pensioners and to other service men in need of assistance.

Mr. MEIGHEN: Nobody denies that.

Mr. BELAND: Well then, we agree perfectly. The loan was requested from Mr. Scammell—I could not authorize the loan—for the purpose of discharging those very purposes.

Mr. MANION: Is Mr. Scammell satisfied, if the legislation does not pass and the money

does not come back, that he has lived up to his duties as trustee of this fund?

Mr. BELAND: I think so.

Mr. MANION: Then, if the minister has finished, I would like to differ. I am not an adroit lawyer as he says my right hon. leader is.

Mr. BELAND: Oh, don't complain.

Mr. MANION: I am not complaining; I am rather glad I am not. But I want to point out that the order in council distinctly says, if this is taken from the charter or trust deed, that this disablement fund is being used generally for purposes of small loans. The Minister of the Interior read just beyond that. It is loans to pensioners and others who are in immediate need.

Mr. STEWART (Argenteuil): Read it all.

Mr. MANION: The minister would not call $25,000 a small loan.

Mr. BELAND: They are small loans if they are spread over two or three years.

Mr. MANION: It was not spread over two and a half years. The smallest amount paid out was $5,000. The small loans referred to here are loans of ten or twenty or thirty or at the most fifty dollars to pensioners who have got into difficulty. The minister knows full well that very many times a pensioner for some reason or other does not get his pension when it is due, not due to any fault on the part of the officials, but that sometimes happens. I have had dozens of chaps come into my office whose pensions were two or three months over-
5 p.m. due, and then all would be paid the arrears in one cheque. I am not blaming the department for that; it would probably happen if I were in charge. But take a man like that who gets into difficulties over his board bill and needs immediate assistance. He can come to this fund for assistance to the extent, I would say, of $25, or $50 at the most. It was cases of that kind that were spoken of as small loans, not $3,000 or $5,000 for another department altogether. If the minister says he is perfectly satisfied with what he has done, and would be perfectly satisfied if the money was not returned, I think Mr. Scammell must be very uneasy; if I were in his shoes I would be very nervous about the disablement fund if the minister would be perfectly satisfied if the government did not pay the amount back.

Mr. BELAND: Mr. Scammell is like my hon. friend; he is not nervous.

[Mr. Manion.]

Mr. MANION: I think he should be nervous. I hope the minister will bring that trust deed down; he has had plenty of time to bring it down already and he should let us know exactly what that money was for. When the trust deed is here we shall be able to discuss the matter much more intelligently. If only small loans were to be made, there has been an absolute breach of trust in giving out $25,000 from that fund for any other purpose than the purpose laid out here. I venture the assertion that the minister when outlining this order in council, if the charter or trust deed had permitted these moneys to be used for such purposes as this, would have shown his good common sense by putting that in the order in council; but it distinctly says it was for small loans. So unless the trust deed shows a good deal more than this shows, there has been an absolute breach of trust in handing out $25,000 to any organization.

Mr. BELAND: Read it.

Mr. MANION: I will read the whole thing to put it on record:

> The committee of the Privy Council have had before them a report dated 12th September, 1924, from the Minister of Soldiers' Civil Re-establishment representing that the Assistant Deputy Minister of the Department of Soldiers' Civil Re-establishment—

That is Mr. Scammell.

> —is the trustee of a fund known as the disablement fund which was contributed by patriotic citizens mainly during the years 1915 and 1916 and that this fund is being used generally for the purpose of small loans to pensioners and others who are in need of immediate assistance and who, in the opinion of the departmental investigations, would benefit by such assistance.

I do not see any other interpretation but that what was meant was small loans of ten or twenty or thirty or perhaps up to fifty dollars to pensioners or others in need of immediate assistance. Certainly by no stretch of the imagination can you include under that clause payments for the salaries, which I presume this money was used for, of the officers of the Dominion Veterans' Alliance or of the Great War Veterans' Association or any other body.

Mr. MACDONALD (Pictou): The speech of my hon. friend who has just sat down (Mr. Manion) is based entirely on the alleged contents of a document about which this committee has been talking for over an hour, but which it has never seen and knows nothing about.

Mr. MANION: That is the minister's fault.

Mr. MACDONALD (Pictou): The minister dealing with this question cannot get papers out of his office in such an easy way as my hon. friend thinks. The whole question is, under what terms and conditions does Mr. Scammell hold this money known as the disablement fund?

Mr. MANION: He is in the gallery.

Mr. MACDONALD (Pictou): I do not care where he is; what difference does it make? Surely this committee is going to wait until it sees this document which constitutes the trust deed before we express an opinion one way or the other. I think, Mr. Chairman, we might well have saved the time that has been taken up by this discussion for the last hour, in which suggestions and insinuations have been made here and there as to what was done with this money, in view of the fact that nobody in this committee knows what the terms of the trust are.

Mr. STEVENS: Would it not be better if the usual procedure had been followed that obtains in the case of resolutions of this kind and estimates in committee, when the minister has one of his officials on the floor to advise him on questions which we all frankly admit it is difficult for the minister to anticipate.

Mr. MACDONALD (Pictou): That is something that every minister will have to decide for himself. The point I wanted to make is this: I think this committee might well have awaited the receipt of this trust deed and found out its terms and conditions before expressing a hasty opinion. I want to say further that it is a fact that Sir Arthur Currie, about whose interest in this matter nobody can have any doubt, has stated that he knew no better purpose for which the money in this disablement fund could be used than maintaining this adjustment service.

Mr. DOUCET: Does that make it right?

Mr. MACDONALD (Pictou): I think hon. gentlemen might well have hesitated to make insinuations when he approved of the money being used in that way.

Mr. ROSS (Kingston): Have you a written opinion from Sir Arthur Currie?

Mr. BELAND: If we have, do you agree with it?

Mr. ROSS (Kingston): I am very doubtful if he gave it. I have too high an opinion of his good judgment to think he would give such an opinion, if the details were explained to him. I would like to see an opinion from Sir Arthur Currie in writing. Has the department such a document?

Mr. MACDONALD (Pictou): Hon. members seem to have got into a suspicious frame of mind. When I say that Sir Arthur Currie stated that he knew no better purpose for which the fund could be used than this scheme hon. members say they do not believe he said it. I say he did say it, and I say further—and I think the committee will agree with me—that the proper way is to wait and see what occurred with this trust deed.

Mr. HANSON: Assume this is a trust for disabled soldiers, does the minister suggest that by any stretch of the imagination these funds should be loaned to the War Veterans' Association for the purpose of paying salaries which the members of that association have not interest enough to pay?

Mr. MACDONALD (Pictou): My hon. friend is a lawyer and a very distinguished one, and he knows that he could not expect me or any other person to express an opinion upon any question with so many presumptions and whereases as he has put in this question. I will wait until I see the document.

Mr. BLACK (Yukon): If in the opinion of the minister, the government and Sir Arthur Currie the terms of the trust agreement have not been violated, and the money has been appropriated to a proper cause, why pay it back? Why not leave it as it is? Why pass such an order as has come to light since this debate began? And why dip into the canteen fund to take money to pay back this money which has been—the word "misappropriated" has been used but has been objected to—improperly withdrawn from the disablement fund? If the government was not doing wrong in using that fund, why pay it back? Let it go. Eventually that disablement fund must be expended and dissipated. If reasonable and proper expenditure has been made of part of it, let it go, and if not why go into the canteen funds to get money to pay it back? Let the government put it in the estimates and put it through in the regular way. There is no reason on earth why the canteen fund should be used to pay back the money paid to the Dominion Veterans' Alliance.

Mr. BELAND: My hon. friend will remember that a certain amount, namely $100,000, was set aside in the bill last year for

the purpose of maintaining an adjustment bureau, and that bill never became law. It was understood to be the unanimous desire of the House of Commons that $100,000 should be used for the purpose of maintaining a service bureau. The trustee of the fund, without questioning the use of a certain amount of money for the maintenance of the bureau, suggested perhaps that it should be repaid to him, because he makes loans with the idea of being repaid, and the provision in the order in council is, if possible, that this trustee should be paid the loan he has made at my suggestion.

Mr. CLARK: What is the total amount in that fund?

Mr. BELAND: $100,000.

Mr. CLARK: And this is 25 per cent of the total fund—a small loan.

Mr. BELAND: Although the amount of the fund is now $100,000, there is a great deal of money which has been loaned, and some small loans are outstanding and some written off.

Mr. CLARK: What was the biggest loan previously made?

Mr. BELAND: I have no idea.

Mr. CLARK: When the minister brings the agreement this evening, will he also bring with him the details of the expenditure of $25,000 and the exact name and position held by the payee of the cheque?

Mr. BELAND: I will give the name of the payee, of course.

Mr. CLARK: Will the minister answer my question?

Mr. BELAND: I will give the name of the payee. I cannot supply him with all the information he desires.

Mr. CLARK: Can he supply the committee now or at a later time with the details of the expenditure of this money advanced to the Dominion Veterans' Alliance?

Mr. BELAND: I will try to do that.

Mr. CLARK: Did I understand the minister to inform the committee that the House of Commons passed a resolution for the distribution of the canteen fund before any loan was made by the trustee of the disablement fund to the Dominion Veterans' Alliance?

Mr. BELAND: No, I never said that.

Mr. CLARK: Will the minister give me the date when Sir Arthur Currie approved of this scheme?

[Mr. Beland.]

Mr. BELAND: I will try and get it.

Mr. CLARK: Is it in writing?

Mr. BELAND: It is in writing.

Mr. CLARK: Will the minister bring that letter.

Mr. BELAND: I do not say I will bring the letter, but I will quote the passage that refers to that matter.

Mr. MEIGHEN: We want the letter.

Mr. BELAND: If Sir Arthur Currie treats with subjects which have no relation to the disablement fund, my hon. friend would not insist on my producing that.

Mr. MEIGHEN: Perhaps not, but I can hardly conceive of his dealing with an important matter of a trustee like this in the body of a general letter. It is the rule of the House that if the minister lays on the table of the House any letter or document, or reads it, he must read the whole of it.

Mr. BOYS: Was the deed of trust submitted to Sir Arthur Currie when he gave his opinion? I can understand him expressing a view as to what might be done with a certain fund which was not ear marked in some way, but if it was to be disposed of according to the terms of a trust agreement, one would think that he should see that agreement before he could express an opinion that would be of any value. I would like to know from my hon. friend (Mr. Beland) or from the Minister of Militia and Defence (Mr. Macdonald) whether he ever saw the agreement.

Mr. BELAND: I cannot give an answer to the question as to whether he ever saw it.

Mr. BOYS: I suppose my hon. friend will agree with me that if he had not seen the trust agreement his opinion would be of no value. The Minister of Militia and Defence has said that he or no other intelligent person should be asked to give an opinion without seeing the trust agreement; therefore it is most vital to know whether he saw it, because if he did not his opinion would not be of any consequence. I want the minister to bring certain papers with him. I take it for granted that when a loan involving $25,000 is made by the trustee of the fund there will be a contract of some description under which the money will be repaid whether with or without interest, and stating when it shall be repaid and by whom. I would ask him to bring such a contract with him if there is one. You can hardly imagine that the minister or the trustee on his advice would loan that money

to any association without some document providing for repayment.

The minister points out that these loans are made under the trust agreement. I would ask the minister to look at the very words of the first paragraph of the order in council—and I am assuming they were used intentionally and deliberately; that they properly indicate in a measure at all events the purposes of the trust—and say if it is not perfectly plain that the intention there is that the trustees should make these loans to individuals for the benefit of individuals, and if he can find anything in the language used in the order in council which would warrant the giving of that money to an association and not to the individuals who are intended to benefit by it.

Mr. MACDONALD (Pictou): If my hon. friend will more closely scrutinize the order in council from which he is quoting, he will see that it does not purport to quote the terms of the trust deed, but that it goes on to say that this money under the disablement fund is now being used for the purpose of making small loans.

Mr. BOYS: I absolutely agree with what the minister says, but I think I have a right to assume that in so using it, they are using it in accordance with the declaration of trust, and surely the minister would be one of the last to ask me to come to any different conclusion. When, in the Privy Council, of which he is a member, this language is used, surely he is not going to suggest that the Minister of Soldiers' Civil Re-establishment (Mr. Beland) in introducing this order in council and asking to have it passed is intimating that this money is being used for purposes not authorized by the declaration of trust?

Mr. MACDONALD (Pictou): No.

Mr. BOYS: If it is for purposes authorized by the trust as are indicated in the order in council, surely it is manifest that the money is intended for individual benefit and use and not for the use of any association.

Mr. MACDONALD (Pictou): That might be only one of the purposes of the trust. There might be many other purposes in the trust. We had better wait until we see the trust deed.

Mr. ARTHURS: I think we are wasting time, because it is very unlikely that this resolution will pass before the minister has brought down certain information. A couple of weeks ago I asked the minister whether or not an order in council had been passed diverting funds from the canteen fund for other purposes. The answer of the minister was no. If, however, the minister is right in his premises to-day, that answer was wrong, because he is seeking to recoup the disablement fund from the canteen fund. At least the order in council refers to the canteen fund indirectly. The request has been made to-day by myself and others that the trust deed be produced before we go any further with this debate. I believe the minister now nods his head when he says that $25,000 has been paid. Only an hour or two ago he would not admit that $15,000 had been paid over to the Dominion Veterans' Alliance. I should like to ask how much has been paid, to whom, on whose recommendation and for what purpose it was paid. I should also like to ask the minister if he can produce a record of any case in which this government or any previous government has passed an order in council directing a private trustee to divert funds whether for the benefit of the government or anybody else.

Mr. BELAND: I do not know that any order in council has been passed prior to this, disposing of the disablement fund or any portion of it. But I was referring a few minutes ago to the canteen fund and my right hon. friend stopped me at a point when I was asking him whether he thought it was regular that the government should apportion to soldiers' organizations large amounts of the canteen funds without the authority of parliament. The canteen funds are made up of moneys which belong to the returned men, to all those who served overseas. By what stretch of imagination can the leader of the opposition contend that it is regular to dispose of the canteen funds by order in council when this parliament is sitting, and every year when it had been sitting in 1919, in 1920 and in 1921, only a month, I think, before the first disposal of the canteen fund was made? Does he think this is quite regular?

Mr. MEIGHEN: I will answer very directly, but first of all I cannot help commenting on the minister's wondering as to the morality of disposing of the canteen funds under the government's charge, but having no doubt about the morality of disposing of the disablement fund which was not under their charge at all. I have stated repeatedly that any fund under the charge of the government may be disposed of in anticipation of the will of parliament. There is no hindrance save that the Auditor General must be

convinced that the exigent circumstances require it to be done. If the government fails to get the authority of parliament for what it has done, the government goes out of office. That applies to the canteen fund as well as to all other funds of which the government is trustee. This House at this session will be asked repeatedly to vote money which this government has paid out of funds of which it is trustee in anticipation of the will of parliament. That is what was done in 1921. That is what this government is doing this year. That, I do not criticize. It is all a matter of the nature of the circumstances which demand it. This is a matter in another category wholly, as I have sought to explain. I do not wish to prolong the discussion further. I am only too anxious to see the terms of his declaration of trust. What we have now indicates that a breach has been committed. When we get the full terms it will not matter what anybody, however dignified, may have said as to the merits of the Dominion Veterans' Alliance. I had never attacked the Dominion Veterans' Alliance or any organization under it. They serve a purpose that is perfectly laudable and right, but because a fund is a trust fund devoted to a certain purpose, you cannot justify diverting it to another by merely saying that the other purpose is very laudable and good.

Mr. HUMPHREY: At the rate the government of the day, during the few months prior to November 1921, were disbursing the funds they held in trust for the returned men, the minister, had they been returned to power, would not have been able to bring a measure before parliament to provide for the disposition of any $2,000,000 because the late government were paying out these funds at the rate of from $25,000 to $50,000 a month.

Mr. BOYS: Anything wrong with that?

Mr. HUMPHREY: In my opinion, yes. I was not here at the time.

Mr. MEIGHEN: The hon. member was here when that was ratified.

Progress reported.

SUPPLY

PUBLIC WORKS

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

Public Works—salaries and contingencies, $689,655.

Hon. J. H. KING (Kootenay, Minister of Public Works): Perhaps I had better make a brief statement in explanation of the items before the committee, comparing them with the estimate passed last year. There is a reduction of $18,665. The estimate last year was $633,320 for salaries, but we are asking this year for $614,655 for the same purpose. There has been a decrease of four in the number of positions, due to the following reasons. Ten positions were dropped from civil government owing to retirements and resignations. This is offset in part by two new appointments, one a position which was dropped last year but which is revived for 1925-26, and three transfers from the Ottawa building repairs vote. Two new positions, are provided for namely, a clerk-typist and an office appliance operator; but the position was revived of assistant to general superintendent of telegraph service. This makes a net decrease of four. It might be wise to explain how the reduction is made up, accounting for the reduction in the estimate this year. Three positions were reclassified, at a reduction of $1,180; one vacancy was reduced to the minimum, making a reduction of $360; there were five deaths accounting for a saving of $1,290; there were ten resignations, accounting for $9,750, twelve retirements, $15,535, twenty promotions in connection with which there was a decrease of $5,970; and one position abolished at $300, making a total decrease of $34,385. The increases are due to three positions re-classified, accounting for $435, sixteen transfers from other appropriations, making an increase of $2,415; two new positions and one position revived, making an increase of $4,200; one hundred and three statutory increases totalling $8,670. In other words, the grand total of the increases is $15,720, which being deducted from the total reduction of $34,385, represents a net decrease of $18,665.

Sir HENRY DRAYTON: What are the particulars in regard to the ten resignations and the twelve retirements, having reference to superannuation and pensions?

Mr. KING (Kootenay): The position of curator of prints has been dropped.

Sir HENRY DRAYTON: What has become of the individual?

Mr. KING (Kootenay): He resigned.

Sir HENRY DRAYTON: Is he getting a pension?

Mr. KING (Kootenay): No. The position of construction architect has also been dropped. There is no pension in that case, the employee having resigned. The position of principal clerk is not to be filled. This was a resignation with a retiring allowance.

Sir HENRY DRAYTON: How much?

Mr. KING (Kootenay): The position of clerk stenographer, in which case there was a resignation, is being refilled at the minimum salary. No pension.

Sir HENRY DRAYTON: We have no information in regard to the one in which there was a retiring allowance. That is part of the expenditures.

Mr. KING (Kootenay): I thought I would give a summary later on dealing with the whole matter.

Sir HENRY DRAYTON: That will do just as well if it is more convenient to the minister.

Mr. KING (Kootenay): I have a statement covering the whole service, showing the amount of retirement allowances and pensions.

Sir HENRY DRAYTON: In the minister's department?

Mr. KING (Kootenay): Yes. The position of junior clerk stenographer, resigned, is being filled at the minimum salary making a saving of $165. The position of clerk-stenographer, also resigned, is being filled at the minimum salary; the same in the position of junior clerk typist. The position of messenger clerk is being re-classified as that of office boy, accounting for a saving of $700. The position of junior file clerk, which is now under transfer, will be placed in the minimum class. As to the question of retirements and annuities, I have a table showing the amounts paid from the year 1921 down to the year 1924. There have been in all 351 retirements during the four years, the number last year being 186.

Mr. KENNEDY (Glengarry and Stormont): All in civil government?

Mr. KING (Kootenay): Not all, no. The gratuities paid during the four years totalled $84,409.60; for the year 1924 they amounted to $42,935.99. The annuities for the four years amounted to $132,530.31; for the year 1924 the total was $75,614.24. Salaries of positions abolished amount for the four years to $207,949.52; for the year 1924, $60,651.86. Of the total number of 351 persons retired, 269 were over sixty; the other retirements were due to ill health.

Sir HENRY DRAYTON: I did not quite catch the effect of all that was said, but if I caught one figure correctly it was that the amount of annual pensions inside and out, as I caught it, was $75,614 in the one year. Is that correct?

Mr. KING (Kootenay): That is correct.

Sir HENRY DRAYTON: Will my hon. friend give me the annuities for the past four years?

Mr. KING (Kootenay): For 1920-21, $15,011.47; for 1922, $22,391.21; for 1923, $19,510.39; for 1924, $75,617.24. Fifty-seven retired in 1920-21; fifty-four in 1922; fifty-four in 1923, and one hundred and eighty-six in 1924.

Sir HENRY DRAYTON: Is that an annual payment, or is it got rid of now for all time?

Mr. KING (Kootenay): That is an annual payment.

Sir HENRY DRAYTON: Then I take it that that represents pensions.

Mr. KING (Kootenay): I gave the gratuities for the four years; they amounted to $84,409.68.

Sir HENRY DRAYTON: So we are now paying in pensions for this department $76,614. While we have a saving this year of $18,000, of course this has only to do with the inside service. To be fair to my hon. friend, he would have a further credit in the lower amount asked for the outside service this year as compared with last year. Has he those figures handy?

Mr. KING (Kootenay): The statement covers both the inside and outside service of the Public Works department.

Sir HENRY DRAYTON: I appreciate that fact, but I want to be fair to my hon.. friend. He has given me the information which makes for expense in connection with pensions, and as against that he points to a net saving of $18,000 on the inside service.

Mr. KING (Kootenay): It is the reduction in the amount asked for to carry the service for another year.

Sir HENRY DRAYTON: As I understand the figures, there is a saving of approximately $18,000 on the inside service. Now, as we have the plus of the $75,000 and the $80,000 odd in gratuities covering the whole service, it would be in the interest of my hon. friend to now give us the comparative figures for the outside service this year and last year, so we can see how pensions, gratuities and salaries are running along one with the other.

Mr. KING (Kootenay): The positions abolished in the whole department through retirements effected a saving of $207,949.

Mr. KENNEDY (Glengarry and Stormont): Were not those positions refilled?

Mr. KING (Kootenay): No, they were abolished. That is for the four years. For the last year there would be a saving of $60,651.86. I do not think I have the data that would cover my hon. friend's question. We are not dealing with the outside service in this vote.

Sir HENRY DRAYTON: All I want, Mr. Chairman, is what pensions are costing the inside and outside services respectively.

Mr. KING (Kootenay): I have not the inside and outside services separated.

Sir HENRY DRAYTON: My hon. friend has given the total in one case, and a section in the other, which does not cover it at all. Take for example the saving that is said to have been accomplished?

Mr. KING (Kootenay): The saving in the inside service of the Public Works department by positions abolished through retirement is $12,305.55 for 1924.

Sir HENRY DRAYTON: I understand that is the figure for annual pensions payable in respect of resignations and retirements accepted up to the present time?

Mr. KING (Kootenay): No, I do not think that is right. It is under the head of annuities and salaries of successors. I think we can give the annuities. They are: Engineer public works, grade 2, $2,215; engineer public works, grade 1, $1,740; head clerk, $739.56; architectural modeller, $680; principal clerk, $1,064; assistant tester of building material, $1,050; draftsman, $771.66; file clerk, $840; second file clerk, $498.33; junior architect, $952; senior stenographer, $1,005; photographer, $750. These are all annual payments.

Mr. ANDERSON: To what extent is the superannuation fund in the minister's department self-sustaining?

Mr. KING (Kootenay): Most of these retirements are under the Calder Act. As to the fund maintaining itself, I have not that information.

Mr. ANDERSON: I understood the minister to say that these were annual payments?

Mr. KING (Kootenay): Yes.

Mr. ANDERSON: They are under the Superannuation Act, are they?

Mr. KING (Kootenay): They are all under the Calder Act.

Sir HENRY DRAYTON: I am afraid that is incorrect. The Calder Act was not a superannuation act proper; it was not a permanent act. If all these payments are annual payments they cannot be under the Calder Act. As it is near six o'clock, I suggest to my hon. friend that he have a statement prepared during the dinner hour showing, first, all cash bonuses, gratuities or other payments following suspension of service, including those under the Calder Act, and, second all annual payments under the different superannuation acts. I think these annual payments ought to be separately classified. It is not fair to the department to do otherwise, because it makes it look as if the department is costing more than it really is. We would like to know exactly, on the one hand, what it has cost to get the service reorganized to the extent that it has been reorganized, under all the different methods, and, on the other hand, the saving involved. If we have this at eight o'clock we can deal with this matter in a short time instead of having perhaps half an hour or more of cross-examination.

Mr. KING (Kootenay): I do not think we could prepare a statement that would show the matter any more fully than the statement we have before us now. We have shown the retirements for four years, the annual payments for each year, the amounts of salaries dropped on account of abolition of positions, and the retirements from the inside service. Under the Calder Act annual payments were made to many who retired under its provisions, so that it was not merely a matter of cash payments or gratuities. I will try to have a statement prepared if my hon. friend desires it, but I do not think we could state the facts any more clearly.

Sir HENRY DRAYTON: I am quite content to take as final from this department the statement that they are paying out in pensions $75,617, if the minister thinks he is doing himself justice by letting it go at that. But if that is correct he is running up in a very short time a rather alarming burden upon the country. We have $42,000 in superannuation payments in the one year—

Mr. KING (Kootenay): The $42,000 was for gratuities and the $75,617.24 for annual payments.

Sir HENRY DRAYTON: I thought the $42,000 was the amount of annual payments for the year before last. What was the corresponding figure, then, for the annual payments during the year before?

Mr. KING (Kootenay): There were 54 retirements in 1923, involving annual payments amounting to $19,510.39.

Sir HENRY DRAYTON: So we jump from an annual cost of $19,510 in 1923 to an annual cost of $75,617 in 1924; is that right?

Mr. KING (Kootenay): Your cost depends entirely on the number retired and the amounts they draw. There were 57 retirements in 1920-21; this year there are 186.

Sir HENRY DRAYTON: Can the minister give us the average age of those retired, so that we may get an idea of how long this will go on?

Mr. KING (Kootenay): That can be had in the department, yes.

Mr. KENNEDY (Glengarry and Stormont): Of the 186 retirements of last year, some were made under the Superannuation Act of 1924?

Mr. KING (Kootenay): No, none.

Mr. KENNEDY (Glengarry and Stormont): Was the $75,000 paid last year in respect of retirements that took place last year?

Mr. KING (Kootenay): Yes.

Mr. KENNEDY (Glengarry and Stormont): Can the minister give us the total payments made last year to those retired last year as well as to those who had been retired in previous years?

Mr. KING (Kootenay): We have not that information, but it could be obtained in the Finance department. The information could be procured if the House desires it.

Mr. KENNEDY (Glengarry and Stormont): Would it be fair to assume that the figures for the last four years given by the minister, 57 retirements amounting to $15,000 and 54 retirements amounting to $22,000, are annual payments?

Mr. KING (Kootenay): Except in the case of death, which of course would reduce the payments. Many of these men are old, and some of them are dying. The payments in 1922 amounted to $14,510.30. I have no doubt that the annual payment to-day would be very much less on account of the men who were retired that year, because there will have been deaths among them.

Mr. KENNEDY (Glengarry and Stormont): But the annual payments made under superannuation last year would be much greater than $75,000. The total would almost be the sum of the payments that have been made in all the previous years, except for those who have died.

Mr. KING (Kootenay): Yes.

Mr. KENNEDY (Glengarry and Stormont): And the minister has not the total.

Mr. KING (Kootenay): No, that does not come within our department, but under the Department of Finance. I understood there was to be a statement presented to the House showing the retirements under the Superannuation Act. The figures I have given relate only to the Public Works department.

Mr. KENNEDY (Glengarry and Stormont): Year by year.

Mr. KING (Kootenay): Yes.

Mr. CALDWELL: I have on my desk the list of retirements from all the departments, but it does not give the information asked for. I asked that it should also state the amount paid into the fund by those persons who have been retired. That information is not given, and it is very necessary to have it in order that we may see if the fund is self-sustaining. Do I understand that there were no payments made by the civil servants into the superannuation fund under the Calder Act?

Mr. KING (Kootenay): No.

Mr. CALDWELL: In what year was the Calder Act passed and how many retirements were made under it?

Mr. KING (Kootenay): In 1920 I think. There have been 351 retirements from this department under that act.

Mr. CALDWELL: I think we passed a very unwise superannuation act last year, but if it should be criticized, the Calder Act should be absolutely condemned. Any superannuation act to provide pensions for civil servants who contribute nothing towards making up a pension fund I think is absolutely unsound. I have criticized the act of last year before and I shall do so again at some future time. I think it was unsound because it was not on an actuarial basis. I think in almost every case you will find that the civil servant who retires at sixty-five, and who is drawing a salary averaging $3,500 for the past ten years, will draw out more in two years than he paid in in thirty-five years. Unfortunately I was unable to speak on the bill last year. I intended to do so, but it had got through committee and was up for its third reading when I happened to come into the House from a committee meeting I had been attending, and I did not have the opportunity to speak. I think last year's act was unsound, and the Calder Act much worse. I think there were one or two superannuation acts under which we were working

previous to 1924. Was any payment made by the civil servants under those old acts?

Mr. KING (Kootenay): I think so.

Mr. CALDWELL: Can you give us the details?

Mr. KING (Kootenay): I have not the details.

Mr. CALDWELL: I suppose we can get that information.

Mr. KING (Kootenay): The Finance department can furnish that, when the Finance estimates are before the House. The suggestion my hon. friend has made regarding the list before him I will bring to the attention of the minister with a view to having the list supplemented.

Mr. CALDWELL: I would urge very strongly that this list be printed so that it will be available to hon. members. It is not in a convenient form to get at, and is hard to copy as it is. It would not cost much to print. It would be valuable as a matter of reference, and I think we should have it. Before the list is printed it should be supplemented, showing in detail the payments that have been made into the fund.

Mr. MILLAR: Is any member of this House also receiving a retiring allowance under the Calder Act? I have heard that charge made.

Mr. KING (Kootenay): Not to my knowledge.

Mr. MILLAR: I have heard that charge made publicly in one of our churches, and I just wanted to know whether it was true or not.

Sir HENRY DRAYTON: That must have been a long way out in the west.

Item stands.

Progress reported.

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

After Recess

The House resumed at eight o'clock.

SUPPLEMENTARY ESTIMATES FOR 1924-25

A message from His Excellency the Governor General, transmitting further supplementary estimates for the year ending March 31, 1925, as presented by the Hon. J. A. Robb, (Acting Minister of Finance) read by Mr. Speaker to the House, and referred to committee of Supply.

[Mr. Caldwell.]

SUPPLY

DEPARTMENT OF AGRICULTURE

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

Agriculture—Experimental Farms, $1,440,000.

Hon. W. R. MOTHERWELL (Minister of Agriculture): Probably it would facilitate the work of the committee if I were to give a short explanation of the increase of $40,000 over last year. This has to be utilized for specific purposes. One of these is the extension of the Harrow tobacco farm which was undertaken last summer. This was formerly a small tobacco station, but the work has extended into the growing and breeding of corn, and it was found desirable to add about 200 acres to the farm. The sum of $10,000 will be used for the purpose of getting the farm in shape, plotting it out, making roads through it and doing all the things necessary to carry on experimental work. A similar amount is being expended at Invermere, where a small farm existed, and was organized ten or twelve years ago with the idea of developing it as a fruit farm. The altitude, however, was too great and the temperature too low to be suitable for fruit-growing purposes. Therefore we are developing that also into a general farm. For this purpose something like 300 acres was transferred from the Soldier Settlement Board. It was some soldier settlement land that had lasped back to the department. This land was transferred to the Experimental Farm branch, and this made the necessary addition to convert the Invermere farm into a regularly constituted farm. This farm is in an irrigation area, and well adapted for potato growing, poultry raising and so on. Some buildings were erected on it last year, but this $10,000 is to develop the farm, complete the fencing and ditching, and provide the general equipment, so that it may be utilized for the purpose intended.

A further $10,000 of this amount is to be used for the establishment of additional illustration stations. We find that we have all kinds of ideas regarding experimental farms. Some people have no use for a little illustration station. They would not be bothered with it in their neighbourhood. They see a post in the ground with a board on it stating it is a Dominion illustration station, and when you speak of these stations they look upon them with disdain. They want a great big farm of 300 acres fully equipped with stock and buildings, and they have no use for these little farms. There is another class of people that have no use

for the regular large experimental farm. They say: They are run by the government and therefore they cannot be much good; the men are paid salaries by the government; they do not work very hard and they are looking for sundown and their salaries. So these people think that such farms are not of much account. They want a small farm, an illustration station. We find, however, that the kind of farm work that is increasing in popularity more than any other is these small illustration stations consisting of forty acres that the government does not buy but merely rents from a resident settler that is of an experimental turn of mind. We enter into a contract with him, renting his property at five dollars an acre, supplying seed and everything else required for working out experiments best adapted to that area. These are particularly popular in the soldier settlement areas. Some of these boys that have taken up farming have been rather unfortunate in their location, sometimes, perhaps, through the fault of nobody in particular. But they are having a hard struggle and are just able to wiggle along. These men appreciate very much any assistance that can be given to them in the way of demonstrating the best method of conducting farming operations in their particular district. I have more especially in mind a number of illustration stations established in Manitoba around Dauphin that have been very beneficial to these soldier settlers who are starting out anew and who are badly involved, without much experience and in need of some assistance from the government. These illustration stations seem to be filling a real need and appealing to a large number of people who like to see work done by what we call a dirt farmer himself, a man on the land that they know, working out these problems without the halo of having a government salary associated with him. That is just an idea that some people have and they derive a great deal of benefit from these little illustration stations On the other hand, others receive greater benefit from the larger experimental farms and would not thank you for the little ones. There is $10,000 for that, $10,000 for the Harrow farm, $10,000 for the tobacco and corn farm, and $10,000 for the extension of the Invermere farm. If we have the money to spare, we have thought of re-establishing a tobacco station at L'Assomption in the county of Montcalm-Terrebonne. There was a tobacco station there some years ago on rented property, but the land did not prove suitable for growing tobacco. Tobacco growing requires a special character of light soil, and there are in Canada only a few such places, one of them being in the Windsor country in Essex county and two or three places in Quebec which are peculiarly adapted for growing tobacco. We are thinking of devoting $5,000 to the re-establishment of a tobacco farm there if we have the money for that purpose, and we think we shall have that by exercising a little economy in other directions. The farm was never re-established during the war period and so we are taking it up now. These are the explanations regarding the increases.

With regard to the experimental farm system proper which consists of the Central experimental farm at Ottawa and something like twenty-three branch farms, the Central experimental farm is spoken of as a farm. We think of it as a farm, but it is really a research agricultural bureau with branch activities in different parts of Canada. Not over one-half of the money that is devoted to the Central experimental farm is spent on the farm proper. Out of the moneys expended there over $300,000 are devoted to research work in the various branch farms throughout Canada, but the money is charged up to the Central farm. The sum of $107,000 is devoted to running this farm itself and when you deduct the revenues derived from it, amounting to $65,000, which are returned to the treasury, that leaves a net balance of thirty-two thousand dollars odd against the Central experimental farm. This Central farm has not had its farm areas extended since its organization something like forty years ago. Part of the land has been taken up for an arboretum, part for extensive lawns and borders, shelter beds, orchards and vegetable gardens, so that the farm proper now is reduced to about 235 acres, or about one-half of the original acreage. Therefore, it stands very much in need of extension for farming purposes.

With regard to branch farms, our policy, since I have had the responsibility of trying to guide the destinies of these institutions, has been not to establish any more branch farms until we had the old twenty-three in better shape. I believe that has been the correct policy. It is not an easy matter to carry it out. The government that preceded us started nine new branch farms in different parts of Canada, a number in the Maritimes and a number in the west. The government that preceded that again started nine branch farms. The government responsible for starting these farms, that led by Sir John A. Macdonald, started five, making in all twenty-three farms. We have stopped establishing new farms until such time that we get the others already estab-

lished in reasonably good shape. That is speaking generally as to the situation. If we come back again to the Central experimental farm, if members of the committee interested in the matter, should so desire, I will give the subdivisions of the work that goes on at the Central farm showing the nature of the research work. Hundreds and thousands of experiments are conducted from year to year, and I shall be glad to give some of the results therefrom, if hon. members so desire. These are the subdivisions: Chemistry, horticulture, cereals, botany, animal husbandry, field husbandry, tobacco, poultry, agristology, bacteriology, illustration stations, extension and publicity, bees, fibre plants. The total amount expended under these various subdivisions I can give, but I had better leave it where it is and let members of the committee ask what they desire as to these particular subdivisions, or any work regarding the branch farms or illustration stations, or any other matters they may desire information about.

Mr. HANSON: Is this the vote under which the new residence for the superintendent at Fredericton is being built?

Mr. MOTHERWELL: No. That comes out of the Public Works vote. There is a vote later on in Public Works for new buildings. Part of the work is, however, being done by the experimental farm regular labour and charged up to the Public Works vote. The work, as I think my hon. friend knows, has been under way for ten years, since the year of the war. Last year we conceived the idea of cleaning up some rough land that was an eyesore from the railway and using the stone from that to build a residence for the superintendent. They had not enough to finish it last year, so we hoped to complete it another year. The same force of men that cleaned the land was used to build the house. There is a way of adjusting the accounts

Mr. HANSON: I was wondering why it was that the minister departed from the well-accepted principle of having work of this kind done by tender, and not by day labour. The minister did us the honour of visiting us the summer before last, and I understood that he left instructions to have this work done by day labour. I was just wondering why.

Mr. MOTHERWELL: That was the reason. It would be pretty hard to get a contractor to go grubbing around in this rough land, hunting up the stones. If he did, I think he would charge up pretty sweetly for it. There is a popular idea too that a contract is always the cheapest, but that is not necessarily so. In this particular instance better value all round was obtained in the way the work was done, having regard to the peculiar material that was used and especially in view of the difficulty we should have experienced in getting the contractor to clean up the land. As it was, the same force that cleaned the land supplied the material for the building, so that they had an interest in getting the best stones they could for the work as well as in cleaning up the place at the same time for the plough.

Mr. HANSON: That is not very convincing, if the minister will allow me to say so. I do not complain particularly but I wondered why there was a departure from the general principle. I have no doubt that the minister could have secured competent contractors in the city of Fredericton to build the house just as it is being put up now, and it would not have been necessary to send out of the immediate community to look for labourers. As far as I am aware, there was not a local stone cutter employed; men were brought from the north shore of New Brunswick to put up the building under the plea that local men were not available. I do not think that this was the fact.

Mr. BROWN: From what vote is the money to be taken for further research into the rust problem?

Mr. MOTHERWELL: That comes under "Administration of the Destructive Insect and Pest Act." With regard to the question raised by my hon. friend (Mr. Hanson), I would point out to him that it takes experience of a special kind to build a wall out of field stone. Some masons will not put a hammer on it at all; they insist on having quarried stone to work on. These being field stones I presume it was found necesary to get outside men who were familiar with this kind of material.

Mr. HANSON: That may be, I do not know.

Mr. MEIGHEN: I would suggest that the idea which the public has, that it is better to have tender and contract, is likely the product of the speeches of the hon. member for Lunenburg (Mr. Duff) and others in the last parliament.

Mr. MOTHERWELL: I was not here; I think I have read something about it.

Mr. MEIGHEN: The minister is not guilty; he never had any such heterodox views himself.

Mr. MOTHERWELL: I used to have when I was younger and less familiar with these things. Speaking generally, though, I presume that the contract is the proper method; but it does not always get the best results by any means.

Mr. MEIGHEN: The minister means, not the best results politically.

Mr. MOTHERWELL: I had no thought of that this time. Sometimes, however, the intense desire of the contractor to get the contract induces him to bid too low and he either skimps the job or gets into difficulties before he is half through. I am merely defending the day labour system under these peculiar circumstances, and I add, too, that it often proves better even under more favourable conditions. The popular idea of course is that the only right way is the contract way.

Mr. MILLAR: There is a line of work I have been urging the minister to take up in connection with experimental farms and I am glad to see that something is being done in this direction. Yesterday I received a notice indicating that the Civil Service Commission is applying for a horticulturist for the Indian Head experimental farm. I believe that more money devoted to that work would bring good results, for it is research work that would certainly prove beneficial. I have here a clipping showing something of what is being done in the west at the present time. There are some gentlemen in this House who believe that the west is unable to grow fruit; I am sorry that the hon. member for Hants (Mr. Martell) is not present, because I remember his making a reference to this supposition a short time ago. This clipping is short and I shall read it. It has to do with the work of Mr. Tate P. Stevenson of Manitoba, and reads:

RUSSIAN FRUITS THRIVE IN WEST

Varieties Introduced by Pioneer Manitoba Horticulturist Are Still Bearing

In front of the old Stevenson home near Morden, Manitoba, stands a Transcendant crab apple tree forty years of age, still bearing fruit in abundance. A little way off is the old apple orchard with its Blushed Calville, Repka Kislaga, Charlamoff, Ostrakoff, Hibernal and other varieties of Russian apple trees, which were loaded with fruit last year. From this orchard Mr. Stevenson harvested one autumn, a few years ago, no less than 300 barrels of apples. Several of the varieties are splendid eating apples, and all of them are first-class cooking fruit. Many varieties of plums have fruited successfully at Pine Grove Nursery, notably the Emerald, Minnesota No. 131, Kaga, Stella, Etopa, and Pembina and several of the newer varieties. The well-known Mammoth plum was developed by the late Mr. Stevenson, being a seedling of the Cheney. Raspberries and strawberries have long been successful fruits at Pine Grove Nursery.

Of chief interest to the visitors at Pine Grove Nursery was a hedge row of Vladimir cherries. Back in 1891, the late Mr. Stevenson secured a shipment of the then newly introduced hardy Russian cherry trees. Gradually nature thinned them out and cut them down until Mr. Stevenson discarded all except the Vladimir and Shubianca varieties, grown extensively north of Moscow, in Russia, the former being the better in quality. Some of the trees fruited after a few years, there being naturally a great variation in the quality of the fruit. Pits from the best Vladimir fruit were planted, and in due time produced trees which again began to fruit about 10 years ago. Pits from the best of these were again selected and planted. Probably there are 500 to 600 of these cherry trees growing close together in hedge rows six to thirteen feet high, and bearing, in August last, quite abundantly a beautiful bright red cherry. It was rather an inspiring sight to see upwards of 50 people busily engaged eating cherries in a Manitoba orchard. The horticultural experts from eastern Canada pronounced the best of these Vladimir cherries to be quite equal to the best sour cherry produced in Ontario.

To give some idea of what the results might be if a little more attention were paid to this department, let me remind the committee of the benefit which the western provinces have derived from the work of Dr. Charles Saunders. Reference was made to this subject before and it will bear emphasis again. Working year after year quietly, and after a considerable period of experimentation, he was able to produce the marquis wheat, and although it did not involve very much money, the production of that wheat has meant hundreds of millions of dollars to the prairie provinces. One of our leading daily newspapers put it at five hundred million dollars to the world. That may be a large amount but I am not sure that it is over-estimated. Now, the prairies are very bare of fruit, and what was done by Mr. Stevenson, what is being done at Indian Head in the forestry farm, where they are able to grow an excellent plum, and what a doctor in the town has done, in producing standard apples for a number of years, can be accomplished by departmental activities. At that experimental farm there is a small staff but little attention has been paid to these things. There is an impression in the town nearby where I reside that this work has not been very continuous, nor has it been given any encouragement in past years; in fact, I have heard it rumoured on the streets that on one occasion when there was a fairly good foundation and the trees were ready for grafting, an order was issued that they should be torn up and the place converted into a pasture field. I do not vouch for the truth of that, but it does seem that there has not been sufficient continuous and persistent work along this line; had there been the results would have been better. Certainly, they would

have been better when you think of what has been done by Mr. Stevenson and others who are known to the department. I was very glad to see that horticulturists were to be engaged, but I have this criticism to make: The salary offered, $1,500, does seem to me to be entirely inadequate for a qualified man to fill such a position in a new country where the foundations for this work are to be laid and three vast prairie provinces to be supplied. I think any man that can be engaged for $1,500 a year is—well, it does seem to me that he surely cannot have the experience and standing in his profession that he should have. I do not think a salary of $2,500 or $3,000 would be too much; it would be well warranted. However, I am glad that a start has been made. I do hope that a great deal of attention will be paid to this work. The people concerned will appreciate it. It will be easily understood that the individual farmer cannot carry on very much of this work himself; it is too expensive. Fruit trees must be brought from Russia largely. It is well known that we are greatly indebted to that country for a great many of our best hardy varieties of fruit. I will not say that all the money expended on this grant and on experimental farms is wisely spent, but I believe more money might be spent on this department with very good results.

Mr. MOTHERWELL: Mr. Chairman, I am very glad to hear my hon. friend from Qu'Appelle (Mr. Millar) so express himself. We have had representations from Mr. Chipman and others urging the conversion of some of these farms into strictly fruit farms. That, again, is a question of money, and until people in the west get well established there will not be very much attention devoted to the developing of fruit growing except by a few enthusiasts. As a business proposition, fruit growing at the beginning does not bring very good returns, although of course it affords one a great deal of satisfaction to be able to fill his basket with home grown apples and other fruit. I have had some experience of fruit growing on my own place, and I know it takes a lot of work, work that can ill be spared from other more revenue-producing branches of the farm. Speaking of the late Mr. A. P. Stevenson, I had the pleasure of presenting his family with the Carter medal that was awarded by the Canadian Horticultural Council for having done the most for horticulture, particularly apple growing, in the west. I also had the pleasure of visiting the Morden experimental farm and his old homestead. His orchard was a very interesting place indeed, and you would think you were in an old established orchard in Ontario to see the large burly limbs well laden with fruit.

Horticulture is a somewhat comprehensive term; to-day it covers vegetables, flowers and fruits. I presume my hon. friend applies the term largely to fruits?

Mr. MILLAR: Yes.

Mr. MOTHERWELL: Well, it just depends upon how much money we will have available. We have to divert our funds into the avenues that will bring the most practical results to agriculture at this time. It is a matter of opinion as to when we should embark on a more active policy with reference to fruit growing. Fifty years ago this locality was not much better adapted for fruit growing than the district around Indian Head is to-day. I can remember when only an occasional enthusiast grew any considerable number of apples here, but during recent years Mr. W. T. Macoun, Dominion Horticulturist, has evolved, by grafting and by the development of seedlings, eight or ten first class varieties of apples suitable to this climate. They are all excellent for eating, particularly the Melba. Her Excellency Lady Byng is very much interested in this work, and she pronounces them to be very high class apples. Some of these varieties no doubt will be suitable for development in the western country. I will give consideration to my hon. friend's representations —indeed I am doing so now by calling for this assistant horticulturist. With regard to the salary offered, I have always noticed, Mr. Chairman, that the salaries of technical men in agriculture were lower than in any other department. If anyone examines the salaries of technical men, say, in the Mines branch, where engineers are required, and then runs over the salaries of corresponding men in agriculture, he will find the latter are lower for some reason. I am not going to account for it, but they are lower. When young men are starting out in life they choose the vocation which offers the best salaried prospects. If agriculture does not bring as much remuneration as some other profession, naturally they avoid agriculture. Consequently the country develops with comparatively few men available for this class of work, and the salaries are low. I do not want to pass the buck on to the Civil Service Commission, but there is the classification, and I tell you it makes one sweat to get it changed. If my hon. friend, (Mr. Millar) will back me up in insisting that agricultural technical positions should be better paid, probably we will get somewhere. We have

had these positions reclassified, but the Civil Service Commission have hundreds of other similar applications, and by the time they have investigated them probably a year has elapsed, meanwhile the lower salaries prevail and there is no one available for the positions at the lower remuneration. I quite agree with my hon. friend that the salaries are too low.

Mr. SENN: How much money is spent in Ontario outside of the experimental farm in Ottawa?

Mr. MOTHERWELL: Last year we added nearly 200 acres to the Harrow farm, and this year we are spending $10,000 to develop it into a general farm, because we find we cannot very well develop a proper tobacco or corn farm without live stock. Then there is the Kapuskasing farm in northern Ontario, doing excellent work where a few years ago was a wilderness. That is one of the few farms I have not visited. I have seen it passing by on the train, and everything looked quite progressive compared with the surrounding country. We have spent about $40,000 at Kapuskasing and $35,000 at Harrow. I remember that my hon. friend who is just rising (Mr. Sutherland) rather took me to task the first year for not having given more attention to illustration stations in Ontario. I think there are eight in this province, at about $300 apiece; then we have $35,000 for Harrow and about $10,000 for Kapuskasing. These, of course, are exclusive of the Ottawa farm. The first agricultural college in Canada was established at Guelph over fifty years ago, so that Ontario has had the benefit of that training and assistance to agriculture, and that may account for the fact that there has not been such a large demand in that province for these small illustration stations.

Mr. SUTHERLAND: The hon. member (Mr. Senn) asked what the department was doing in regard to the fruit growing in Ontario. The minister has talked a long time and ended up by not giving the information asked for.

Mr. MOTHERWELL: I often do not hear very well, but my deputy has good ears and he told me that what the hon. member wanted was the amount spent in Ontario outside the Central experimental farm. Now, I am going to try to-night to meet the wishes of the hon. member for South Oxford, even if it takes us all night. As to fruit growing, the principal work is done at the Central farm under Mr. Macoun. Under another vote we have the appropriations for the horticultural work, horticultural council, and so on. We had representations only yesterday with respect to the expansion of this work, particularly as it relates to vegetables, flowers and fruit. But not very much is spent in Ontario outside the Central experimental farm and at Harrow and at Kapuskasing so far as fruit goes, except in an educational way.

Mr. SUTHERLAND: What fruits are grown at Kapuskasing and Harrow?

Mr. MOTHERWELL: Largely the small fruits at Kapuskasing; other tree fruits and smaller fruits at Harrow.

Mr. SUTHERLAND: Is it not a fact that the provincial government are carrying on this work and have experimental farms all over the province? Are any of these illustration farms in Ontario devoted to fruit growing?

Mr. MOTHERWELL: No.

Mr. SUTHERLAND: So that the department are really not doing anything in Ontario in the way of experimenting in fruit growing, outside of the Central farm at Ottawa, which is really for the whole Dominion, not particularly for Ontario?

Mr. MOTHERWELL: We had an application recently from the county of Lanark for some work along the line of the rejuvenating of old orchards—spraying and putting them back into good bearing shape. I do not know of any other application. I went fully into the matter, and it looked to me a little like invading what has been recognized as the provincial field to start out on a policy of establishing illustration stations in respect to fruit alone. There is no particular line of demarcation; but that is the way I feel about it, particularly in regard to an area that is not peculiarly adapted for the growing of tree fruit.

Mr. SUTHERLAND: So far as invading the provincial field is concerned, I do not look at it from that view at all. It costs less for the province to do this work than for the federal department to do it; that is really about what it amounts to. If the federal department refuses to do anything the province has to step in and do it and pay for it.

Mr. MOTHERWELL: That is about the way a lot of the work is done; if the province refuses to go into it then we take it up. We are trying to work out an allocation of

the respective spheres of operation of the provinces and the Dominion. Speaking generally, work associated with production is looked upon as provincial and work associated with the health of animals, the grading of products and the marketing of them, is looked upon as federal. But it is hard to get the line.

Mr. HOEY: The minister visited the constituency of Nelson in September last. He must have been impressed, not to say surprised, by the agricultural possibilities of that region. Apart altogether from the gardens that he visited—

Mr. MOTHERWELL: Does my hon. friend refer to that portion of the district which is towards its northern extremity?

Mr. HOEY: Yes, I will explain that.

Mr. MOTHERWELL: It is pretty hard to give any estimate of its possibilities after one hurried trip, but I was very much struck with what I saw there in the way of gardens, in the way of grass and in the way of possibilities in many directions which may be considered as sufficient to support a very considerable population. Without entering into railway matters at all—confining myself strictly to agriculture—I found less evidences of frost in the gardens around the Pas than we found around Winnipeg, and up the Swan river. In the newer districts, where the soil is largely what is called muskeg but what is really vegetable matter, the gardens were frozen very badly. But where the soil had been worked for three or four years and the ground solidified and its capacity to contain heat increased, the gardens were in perfect condition. Onions do not grow well there, however; there is too much vegetable matter.

Mr. CALDWELL: What time of year was that?

Mr. MOTHERWELL: The last week in August. We went on north to mile 81—that is the Herb lake country. The train we were on had something like twenty cars, including the car of settlers' effects. There was no siding on which to spot this car; so it was just set on the track right opposite this man's shack, and the hon. member for Springfield's party I think must have had a time pinch-barring it on and getting their gas car past it. It is quite a trick on that road to spot a car right opposite a man's farm so that another man can get past it. When you get to mile 137, you find there a Hudson's Bay store and other frontier buildings, and evidences of men who in the winter time devote their attention to trapping, and in the summer to farming operations. At mile 185 there was a gentleman by the name of Cowan. He had a beautiful garden of flowers, and one little apple tree, only about so high, but it had produced its first fruit in the shape of one apple. That was about the last of August. I never inquired how it developed, or whether it would suit the particular taste of my hon. friend from Macleod (Mr. Coote), but at all events it was an apple. Then as we journeyed further north we came across a cold storage plant at mile 239. It had been filled with sturgeon fish but at the time we got there only one carload was left to ship out. From that on up to mile 332 there was not much evidence of agricuture that I could come to any conclusion about; but the country is not the quagmire or muskeg we hear so much about. It will support a very considerable population engaged in mining, trapping and fishing in the winter, very much the same way of living pursued down in the Maritime provinces, where the people may be engaged in fishing or lumbering at one time of the year, and in farming at another.

Mr. CALDWELL: I object.

Mr. MOTHERWELL: I am not speaking in disparagement at all. It is a fine thing in a new country to have two or three sources of revenue for the first few years. I cannot remember his name, but the party who was keeping the stopping place at the end of the track was from Cape Breton and knew all the members in this House from Nova Scotia. He and his wife gave us a splendid lodging, and an excellent breakfast next morning at four o'clock when it was time to get back on the train. The whole country up there is capable of considerable agricultural development, but I do not think you will get much development up there so long as you have better land on the open prairie. Do not mistake me; people are not going to flock in there pell-mell when there is better land easier of access and closer to the market; but when the Hudson Bay road opens up the farther north country, of course, the closer they will be to their market—I presume that is what my hon. friends across the way wanted to get out of me.

Mr. TOLMIE: The minister was good enough when the live stock vote was taken up the other day, to give us permission to speak on live stock in connection with the present vote. The other day during a somewhat long discussion, one very important feature of the live stock business was not

touched on, and that is that while we have expended hundreds of thousands of dollars on exhibitions and the improvement of live stock by the distribution of pure bred sires and in various other ways, at the present time there are still thousands of cattle of very poor quality and in very poor condition being crowded into our markets during the last two or three months of the year, and in that way forcing down the prices in our markets, and so crowding the market with cattle that they can hardly handle the bulk of them. It also tends to lower the market at that time even for the best cattle. In view of this condition and its seriousness to the whole of our agriculture in Canada, I would like to know what the department is doing and has done in the last two or three years towards remedying such a condition, and towards inducing the farmers to finish their cattle in a better way so that they can take them to market and make a better profit on them. The great problem to-day is not so much the quality of the cattle, as the proper feeding of them before sending them to market, and sending them to market at the right time.

Mr. MOTHERWELL: Speaking from memory, the latest action we have taken in regard to the improvement of live stock is that we have refused to give indemnity to the owners of grade bulls that are slaughtered for tuberculosis, or for steers of any kind or lump jaw cattle. In order to encourage the farmers to produce a better quality of cattle we have let them know that we are no longer going to indemnify them for animals slaughtered for tuberculosis. That step has just been taken, and that is why I mention it first.

We have also been working in conjunction with the provincial governments where they have had "better live stock" trains, with men going through the country preaching the gospel of better live stock, because after all this is largely an educational matter.

In addition to that we have developed our various branch farms more and more along the line of live stock. I have used the term "live stock breeding depot" in the past, and at such points we are not spending so much time in experimenting with the soil, because in some of the older districts the farmers have a good knowledge of the best cultural methods necessary for their district, but we are giving more attention to live stock and the development of a better quality from grades up by using pure bred males and developing the ordinary cattle along that line. I think that is the cheapest and most practical way for the average man, to take his ordinary female stock, and rather than sell them at a sacrifice, use a pure bred sire and grade the stock up.

Mr. TOLMIE: What is being done in the feeding line?

Mr. MOTHERWELL: Feeding is a very important matter. There is no virtue in live stock of any kind if you are a bad feeder. You cannot turn animals out to take care of themselves and expect to make money out of them. You have to give them not only a maintenance ration, but more, to make them thrive and fatten. We are trying to bring that lesson home, for it is a lesson everyone should know, but like any other missionary work you have to keep pounding it into the people all the time. Some will listen, some will not; but there are always some who believe it.

9 p.m.

Then during the last two or three years we have had various stockyard associations at Calgary, Moose Jaw and Winnipeg, working in conjunction with the provincial departments of agriculture and our department in the putting on of three feeder shows. Those owning feeders are encouraged to bring them in there, and those wanting to buy feeders, including Ontario buyers, are encouraged by special freight rates to come out there and buy feeders to take back to Ontario and other eastern provinces. The first show was a remarkable success. Then we put on men to give lectures and addresses on the best way of conducting feeding operations. It seems simple enough but you have to keep on reiterating these things, and we are having remarkable results already. It was really fine at the second feeder show—I was present at the shows at Moose Jaw and Calgary—to see these animals which were nearly all ranch grown animals running on their mothers on the range with that sleekness that you get only from such bred animals. They were in great demand when they arrived at the show, and they ran up to as high as 7 cents, and very many of them 6 cents, for feeders. The Ontario farmers ran them up a little bit because having gone out there so far, and having the advantage of a cheap freight rate they wanted to take back something with them, and they made a good bid; and I have no doubt they will make good returns too. It is just a question of keeping the necessity before them.

In regard to the rubbish to be found in the stockyards, I was quite amazed two years ago, on going to the stockyards at Edmonton, Calgary and Winnipeg, to see the rubbish in those yards. The stock will not pay the freight. They have a very poor quality of

stock, and frequently have no money to buy feed for them, and they have to get rid of them in some way. It is a burden on any man to keep such stock. Where is the responsibility? We are spending a lot of money under the live stock vote. We come in for a little bit of criticism in this regard—I am told that no matter where you go through the Dominion you will trip over an employee of the Department of Agriculture, in the Live Stock or some other branch. If we are to speed up this work any more than we are doing now, we have still more to preach the gospel of better live stock. You can go into the older districts of Ontario, not 25 miles from where we are sitting, and find a very alarming number of poor, unprofitable boarders among our cattle. I do not think my hon. friend from Victoria and Carleton (Mr. Caldwell) looks any more guilty than anybody else, but I am sure he can tell us about the unprofitable class of animals kept down in some parts of the Maritime provinces.

Mr. CALDWELL: I have got rid of mine.

Mr. MOTHERWELL: Everybody knows about them. I do not know if my hon. friend has any explanation of why people will perisist in raising this class of animal. If he can tell me how we can provide a remedy I shall be very glad, because I know my hon. friend is a practical live stock man. We have our clergymen preaching the gospel of salvation for over 2,000 years, and yet a lot of people do not believe it, and many people believe there is no more profit in good cattle than in the poor ones.

Mr. TOLMIE: The hon. gentleman implies that while they preach the gospel, people still persist in betting on horses.

Mr. MOTHERWELL: I do not think that that practice would keep my hon. friend out of the Kingdom.

Mr. TOLMIE: I should like a little information. Has the minister any figures he can give us over a term of years as to the profit in feeding steers on the experimental farm with the ordinary feed that can be obtained from the farms in the neighbourhood.

Mr. MOTHERWELL: We have not that information here. That is published in the regular reports and bulletins. I suppose my hon. friend means the branch farms.

Mr. TOLMIE: The branch farms throughout the country, looking at it in a commercial way.

Mr. MOTHERWELL: The branch stock was sent to the Central farm and finished off with that experiment as chilled meat last year. We have not the figures here. But a lot of animals fed here were used entirely for that experiment. Some were sent as fat animals, some as stockers and some as chilled. If you are not too fond of getting out or of constant and continuous hard work, and if you like live stock, you can convert a whole lot of money into it on the farm, and if you do not know how to manage it and buy the wrong type of animal, you can lose money faster than you can make it. If you have the room and cheap enough land, you can make a profit. But there is tremendous room for information in this regard, and there is an additional desire to get the right kind of animal. I shall be pleased to get that information for my hon. friend.

Mr. TOLMIE: There must be a number of feeding experiments carried on at the experimental farms west of the lakes, where there is a profusion of food.

Mr. MOTHERWELL: Yes.

Mr. TOLMIE: Have they been generally successful or not?

Mr. MOTHERWELL: Yes, I have visited a good many farms; the animals are nearly all fed outside and they are profitable. People go out and buy them. Last year Mr. Taggart of Swift Current was at the Calgary feeder show, and he claimed he could buy the steers cheaper outside of the show where there was no competition. He buys them at the market price from the farmers, takes them to Swift Current, keeps them in a straw shed, feeds them in the open yard from trench silo with cut corn and sunflower and makes good money. He gets the right kind. However, I have not the exact figures.

Mr. TOLMIE: This feeding has been carried on very largely on the prairies by private companies and private individuals who have started out on a large scale. Is the minister aware whether they are making it successful?

Mr. MOTHERWELL: No.

Mr. TOLMIE: There is a big plant out in Manitoba and another near Edmonton.

Mr. MOTHERWELL: I was not thinking of Manitoba. I understand they are doing well. I wonder how they look after them. I see these dealers all dressed up very natty round the Fort Garry hotel, and it must be very profitable if they are able to stay at that nice hotel, feed their stock and make a profit. I was never able to do it myself.

Mr. CALDWELL: Maybe they have a man to do it.

Mr. MOTHERWELL: Yes, and they have a good foreman, a gentleman named Speers. He tells me he is making money and I think he is. I think he is a real feeder. I think he is pretty much on the job. But it has become a profitable business since the embargo was taken off. Everybody who has a little money to blow in buys a bunch of steers, feeds them, gets interviewed, and they are supposed to be developing the British market, and all that sort of thing. I have some doubts as to whether that is the proper way to carry on practical steer feeding for any market. If a person has a little money he might as well amuse himself that way as any other. But you require to give careful personal attention to the business and I think that that is being done in the one or two cases my hon. friend refers to.

Mr. BIRD: I should like to draw the minister's attention to the Hudson Bay railway again. The northern part of the province of Manitoba was delighted and gratified when the minister decided to take his trip up north, and I think they will be equally gratified to learn he has borne his testimony in the House to-night regarding that district.

My purpose in intervening in the discussion to-night is to inquire of the minister whether he has given any consideration to the desirability of instituting an experimental station on some modest lines on some points on the Hudson Bay railway.

Mr. MOTHERWELL: Yes.

Mr. BIRD: I do not mean that part of the railway which is not built yet, or the part that has gone into decay, but the part that is operative. I want to announce to the House that the Hudson Bay railway, so far as half of its mileage is concerned, is in operation. I think the minister himself can bear testimony that it is a good piece of railroad, and ought to be put to the utmost possible use. The minister's testimony does not stand alone. For two or three years we have been trying to persuade the House that this country through which the Hudson Bay line runs is as good a country as you can find in the west of Canada.

This does not depend upon recent visitors to that country. We have evidence dating as far back as that district has been known. Every government expedition sent in there has reported equally favourably about that country. Before the Senate committee, five years ago, J. B. Tyrell, a well-known government explorer, described that country through which the line ran for about 200 miles as being beautiful clay land, as good as any in Manitoba. We have other evidence which all goes to back up what the minister has said. I will detain the House just for a moment in reading the evidence of Mr. McInnes, a member of the Geological survey, who went in there some years ago:

> In summing up his impressions of what he designates "the gently rolling clay covered country", Mr. Wm. McInnes, of the Geological survey, wrote:
>
> "Of the whole of this extensive plateauland, extending from the valley of the Nelson river westward to near Burntwood and Wekusko lakes (west long. 99 degrees, 46 min.), northerly at least to beyond latitude 56 d., and southerly to the limestone escarpment, an area of about 10,000 sq. miles, it may be said it is characterized by a heavy clay soil entirely free from boulders. Lacustrine clays, composed of the rock flour once held in suspension by glacial streams and deposited by them as they reached the quiet waters of a great lake, are essentially the soils of this region; there is no distinct surface soil clearly separable from the clay subsoil, the one merges gradually into the other, the clayey character of the soil being strongly apparent at the very surface where merely the shallow cover of decaying leaves and other vegetation is scraped away. Generally for from five inches to over a foot down the clay is deep brown in colour from the admixture of vegetable matter, and quite friable, and the rootlets of even the smaller surface vegetation reach down far below this level, though on the tops of many of the ridges the light buff-coloured clay, without any appreciable colouration from vegetable matter, comes to the surface. The rolling character of the plateau generally provides fair drainage, but over considerable areas in its central portion, far from the valleys of the larger streams, there are large tracts that have not sufficient gradients for the proper flow of the surface water but could be made available for agricultural uses by being artificially drained."

And further, this is his description of the climate:

> Mr. McInnes gave particular attention to the question of climate, which he rightly considered of "vital importance in connection with this region". He kept a careful record of temperatures, and from the time it was "begun on the 19th of June until the night of the 29th September, when the thermometer fell to 26 d., there was no frost that affected even tender vegetation. On the night of the 10th of August the temperature fell to the freezing point, but did not get low enough to do damage at least in the valley of Grassy river, though some of the potato vines on the summit of the high ridge north of the Pas were slightly touched". He was convinced that the "district is not at all too cold for general agricultural operations. The longer daily duration of sunlight in these high latitudes must be taken into consideration and for purposes of comparison with more southerly localities yearly averages of temperature are of no value."

Through this agricultural region described by Mr. McInnes, the Hudson Bay road runs at the present time and is operating the whole of the distance through this clay belt. It seems to me to be a reasonable request that the government should, in a modest way, without going to a great deal of expense, institute

some form of experimental station to prove up this country. Already there is an abundance of proof, as the minister's own experience has confirmed, in regard to the character of this land. Not only has the Minister of Agriculture for the Dominion been over that country, but so has the Minister of Agriculture for our province. As late as last summer, Mr. Bracken, in company with the hon. member for Springfield (Mr. Hoey) took the same trip and covered the same ground as the Minister of Agriculture, and their impressions were almost identical with those of the Minister of Agriculture. We are always glad when visitors take that trip. We never try to keep any one away from viewing that country because our faith in it is very well established. It is a beautiful country to look at and I believe it is a good country. It may not be feasible to develop it immediately; but if we are going to operate these 214 miles of railway right through the middle of it, it is only reasonable to spend a little money in trying to determine its agricultural qualities. In this country, even in Manitoba, we have a class of farmer who likes to mix his agricultural operations with a little fishing or other occupations of that kind. I think we have many of them who are trying to eke out a living on land that is not equal in any respect to the land I have described. I think there are, in Europe, especially in northern Europe, farmers who would be only too glad of the opportunity this district gives. It may not be possible to open up the land extensively to settlers of any kind for some time, but in view of the ultimate completion of the Hudson Bay line and the fact that 214 miles of it are being operated every week, it is only reasonable that the government should follow up the personal investigations of the Minister of Agriculture and try out, in a scientific way, what the soil and climate of this immense northern clay belt of 10,000 square miles can really do. I hope the minister has given some attention to that and has already determined in some way or another to test out this country.

Mr. MOTHERWELL: Has my hon. friend in mind any particular place along that road where he thinks we could get the best information in regard to the region? When I came back from there I met some of my experimental farm staff at Winnipeg at the rust conference, and I discussed with them the advisability of establishing either one of these small forty-acre illustration stations or possibly what we call a substation that will cost about $3,000 a year, either at mile 137, where there is a store owned by a man named Atkinson or at mile 185, where the apple tree was growing to which I referred. I do not know which might be the better place and perhaps my hon. friend might give some suggestion.

Mr. BIRD: I think either point would be suitable, but probably the more northerly point would be desirable. It seems to be a suitable spot in many ways and, being more northerly than the other, it might give the region a better test.

Mr. HOEY: When we reached Port Nelson we were surprised at many of the things we found there, but perhaps the most surprising thing to us was the fact that they had been ploughing. They had a splendid team of Percheron horses there and they had ploughed, I would say in the neighbourhood of three-quarters of an acre of land. The soil was rough on the surface, but we had a technical agriculturist with us and he was very much impressed with its possibilities. There are six men there under the superintendence of an engineer, Mr. Hazelwood, and I was wondering, in view of the fact that they had been attempting to cultivate some land there, if it would not be possible to have even there, without much expense, a kind of little illustration farm. That is to say, why not send up some seed to the engineer and the men in charge there, just as it is sent out to a little illustration station in my country and have them do a little experimenting on the side? The question may be asked as to its value. Well, one cannot help being impressed, in visiting the United States, by the erroneous opinions widespread there with regard to the southerly region of the provinces of Manitoba and Saskatchewan. In the United States someone will ask you whether it would be safe for a woman to visit the city of Winnipeg in December. Now if it could be shown that wild grasses or coarse grains can be grown at Port Nelson, I think it would prove of tremendous advertising value to our immigration authorities and would dispel a great many of the erroneous opinions that prevail to-day concerning that whole north country. I would not expect anything of an extensive nature, but I should like the minister to promise that the officials of his department would get in touch with the engineer in charge of the work there to see what could be done with the ground which was ploughed when I was there.

Mr. MOTHERWELL: I shall be glad to do that. I did not know there was any experimental work carried on there. I think we could have some experiments made at a very small cost, especially now that the land

has been tilled. What staff is the hon. member referring to?

Mr. HOEY: There are several men in connection with the engineering work and so on.

Mr. MOTHERWELL: I do not see why, without additional men, some experiments could not be made at a cost under $50.

Mr. BLACK (Halifax): What proportion of the $1,440,000 for experimental farms is spent in Nova Scotia? We have in Cumberland county a farm which looks very well seen from the railway, but so far as the public are concerned it is not very well known. Whether this is due to lack of advertising and propaganda I do not know.

Mr. MOTHERWELL: Which particular farm is the hon. member referring to?

Mr. BLACK (Halifax): I am referring to the Nappan farm in Cumberland county. What proportion of the money devoted to experimental farms generally is spent on the experimental farms in Nova Scotia, how much is spent outside the farms, and for what purposes?

Mr. MOTHERWELL: The hon. member seemed to be of the opinion that the experimental farm to which he has referred just looked like a farm. Well, that is the greatest compliment he could pay. I understand it is thought not to be sufficiently developed. I asked the hon. member for Cumberland (Mr. Logan) last year a question in regard to that farm and he gave me the figures in regard to the number of visitors who resorted to it annually, and my recollection is that the number was something like 6,000. It would seem therefore that a good many people visit the farm in the belief that they can get some benefit from what they see carried on there. I may say that that farm has got some pretty hard knockers around Nappan. I do not know exactly why this is so, but every now and then I see correspondence in the press from a gentleman there who never misses an opportunity of slamming the farm He is something like our friend Mr. Barnjum, who is quite frequently heard from in regard to the terrible depredation in connection with our forests, a whole lot of which no doubt is true. In this case the active party is Mr. Blanchard, who appears to have some grievance; and through the adverse publicity he has given the farm an impression has been left with people that it is not doing much good. Well, I visited the farm myself and I can say something of what it does. There are three farms in Nova Scotia, one at Nappan, one at Truro and one at Kentville. Possibly the public may be of the opinion that at a time like this some of these institutions might be dispensed with, but that is a matter of opinion. The farm at Truro is a provincial farm, the one at Nappan was one of the four original farms which were established throughout Canada, while the farm at Kentville was established principally for the purpose of developing the orchards of the Annapolis valley. It has been a problem to know how to reduce these without doing injustice to an old established institution. Has the hon. member any suggestions to offer as to how the Nappan farm could be put to any better use? Some suggest that it might be closed, but I would point out that it is an old established institution, being among the very first. There is a certain sentiment associated with the location; there are beautiful trees and lawns, there is excellent live stock, the experimental work is good, and the farm has been in operation for the last forty years. I would not care to be the one to take the responsibility of closing that farm unless I happened to be at a safe distance at the time the fact was made public. The question has been raised, however, as to the necessity for this number of farms in Nova Scotia. New Brunswick has only one, as has Prince Edward Island, while Nova Scotia has two federal farms and one provincial. As to the cost, the farm at Nappan represents about $40,000 and the one at Kentville $46,000.

Mr. DOUCET: I may tell the minister that he would get no advice from anybody in the Maritime provinces to close any of the farms there. When he first introduced the vote, the minister said that the former administration had established a few farms in the Maritime provinces. I fail to see where they were established, because there are only four federal farms in that part of the country. As the minister says, Nappan is one of the first four farms that were established in the Dominion; the one at Fredericton, in the province of New Brunswick, was established a few years later, and the one at Kentville was instituted for the purpose of developing the fruit industry of the Annapolis valley.

Mr. MOTHERWELL: What is the point? The Fredericton farm was established by the government that preceded this one.

Mr. DOUCET: That is so much to their credit then, and I wish the present administration would consider the advisability of establishing one in what we call the north shore counties of New Brunswick. The condition of the soil there, the climate, and the

fertilizing ingredients available on the shores of that part of the province are such that it would be beneficial to the farming population of that district if at least illustration stations were established, conducted by the federal department, for the purpose of helping agriculture in general in those counties.

The other evening, when discussing the live stock vote, the minister told us that we should have an opportunity of referring to these questions later. I placed on the order paper some time ago a question in regard to the Live Stock branch at Moncton, and I find that of twenty-one organizations for the co-operative marketing of sheep and lambs there are sixteen in what are known as the French Acadian centres of New Brunswick. These are Mont Carmel, Saint-Ignace, Saint-Louis, Saint-Paul, Richibucto village in the county of Kent; Rogersville, in the county of Northumberland; Tracadie, Saint Isidore, Lameque, Six Roads, Upper Caraquet, Grande Anse, Bathurst, Sainte Therese, Petit Rocher, in the county of Gloucester; and Saint Quentin in Restigouche county. Eleven of the seventeen poultry clubs in the province are in the same section, namely, Acadieville, Saint Louis, Saint Ignace, Saint Charles, in Kent county; Barachois and Cap Pélé in Westmoreland county; Rogersville and Néguac in Northumberland county; and Saint Isidore, Paquetville and Pokemouche in Gloucester county. Furthermore, of the twenty-one egg circles, thirteen are again to be found in the same section, namely, Acadieville, Saint Louis, Saint Ignace, Saint Charles and Saint Paul, in Kent county; Barachois and Cap Pélé in Westmoreland county; Rogersville and Néguac in Northumberland county; and Caraquet, Saint Isidore, Paquetville and Pokemouche in Gloucester county. In this connection an immense amount of correspondence has to be sent out from the Live Stock branch office in Moncton, but I find on looking over the personnel that there is no one in the office able to conduct the correspondence in the French language. Now, these poultry clubs and egg circles have been established for the purpose of co-operative marketing, and they are doing excellent work. Therefore I hope the minister will find an opportunity of having a bilingual stenographer appointed in the Moncton office so that the men in charge of this special work for the various counties of the north shore of New Brunswick may be able to get the correspondence conducted in the French language whereby the greatest benefit will result to them; otherwise it will be practically impossible to conduct the work satisfactorily either to the Live Stock branch or to the farming population of that section of the province. This special work needs development, and the people interested expect to get a large measure of help from the department which has been instrumental in creating those organizations in the districts which I have enumerated.

Mr. MOTHERWELL: I understand that three of our officers are capable of talking both English and French, and three others are French Canadian. It is rather regrettable that all our staff is not bilingual. As a matter of fact it is sometimes late in life when we make the discovery that we should be able to speak both languages. If my hon. friend will draw my attention to any appointments which he thinks will result in the work being neglected or an injustice being done to his constituents I shall be glad to look into the matter, We have twenty illustration stations established in New Brunswick. One reason why we are not building up a permanent well-balanced staff, as suggested by my hon. friend. is that nearly all of this work is, strictly speaking, provincial. All these egg circles, calf clubs and such like organizations should have been looked after by the provincial government, but inasmuch as they did not take action we started the work, and sometimes we operate with our men, the province paying half the cost, and sometimes the provincial men do the work with the federal government paying half the cost. We are working in conjunction with the local government, and as soon as we get an opportunity we are going to try to have them take the work over entirely. I will consider my hon. friend's suggestion.

Mr. DOUCET: It is true that some of the men are bilingual, and that is appreciated. but more effective work would be done if an additional bilingual stenographer were engaged to conduct the correspondence with the French Acadian farmers, who would be in a better position to understand the business if carried on in their own tongue.

Mr. McBRIDE: Mr. Chairman, I think the point raised by the hon. member for Springfield (Mr. Hoey) and by the hon. member for Nelson (Mr. Bird) was well taken. In my opinion the government would be well advised, before they spend any more money on the Hudson Bay railway, to find out whether anything could be grown up in that part of Canada. I also agree with the Minister of Agriculture (Mr. Motherwell) that agricultural farms in the old districts are not as useful as they would be in new districts. I have been going to the Agassiz farm for the last thirty-two years, and I

cannot see what good that institution is doing. It is simply a bill of expense to the government. I think if it was closed and its activities transferred to the northern part of British Columbia, an immense amount of good would result. The Minister of Agriculture in the late government (Mr. Tolmie) and the present minister has approved of the establishment of a farm in the Nechako valley. He sent his men to look over the location, and they too approved of it, but so far nothing has been done. I think if the government could see their way to spend less money on the farm at Agassiz and make a start on another farm in the northern portion of British Columbia it would be a step in the right direction, and I know the people out there would very much appreciate it.

Mr. MOTHERWELL: Is the Agassiz farm in my hon. friend's constituency?

Mr. McBRIDE: No.

Mr. MOTHERWELL: The hon. member for Victoria City (Mr. Tolmie) I think gave some assurance to the people concerned that Vanderhoof was in line for the first new farm. I had hoped before this to have established one there, but we have not been able to do so yet. However, we have that still in mind. Agassiz is one of the original four branch farms—Nappan, Agassiz, Indian Head and Brandon. I have at times thought, Mr. Chairman, that in order to deal with this matter without bias we might get an impartial committee appointed to view those four old farms and two or three others to see if we could not arrive at some conclusion of what would be the fairest thing to do. I have views myself on the subject, but I do not think it is necessary to express them because I am not in a position to carry them out. I do think we could dispense with a few of these farms. Agassiz is doing good work, but there is no question that to-day a similar farm at Vanderhoof would do more effective work in the next thirty years. But it takes money to dismantle and transfer such a farm, and we have not the means available, so the old farm is continued. The Brandon farm is well located, but it has had the misfortune of being flooded during the last three years in succession, and it may be flooded again. Some people think we should move it to another location, but I do not know what my hon. friend from Brandon (Mr. Forke) would say if I suggested it. I think we had better leave these somewhat delicate activities to a more suitable date. If my hon. friends have any recommendations to make with regard to the closing of any of these farms in their respective ridings, I shall be very glad to give them careful consideration.

Mr. KNOX: I wish to endorse the request of the hon. member for Nelson and the hon. member for Springfield in regard to some kind of demonstration stations along the Hudson Bay railway. I am not surprised that the hon. member for Cariboo should oppose the Hudson Bay project. He is not opposing the demonstration stations but he opposes the project; and I find that the farther a man is removed from that project and the less he knows about it the more he is opposed to it. There is a vast area lying to the south and west of this railway that should get a little more attention than it has been getting. The route itself should be given more attention; and there are hundreds of thousands of people in the western provinces who are of that opinion. I have had communications from people who live along the railway and it is astonishing what they have grown in gardens at these different points. I had heard of that garden which is producing the apples; and not only is it doing that; it is producing all kinds of vegetables. A demonstration station at a point like that would no doubt prove a great many things that the people residing there do not now realize as to the possibilities of production in that area. The constituency which I represent lies to the west of the territory that we have been discussing, but the south end of my constituency also contains an experimental farm—the Rosthern farm. Rosthern has been giving a good account of itself in many lines, particularly in the herd of Holstein cattle which they have developed there. When the hon. member for Qu'Appelle was speaking about expanding in horticulture at Indian Head, it occurred to me that that expansion might very well be taken to Rosthern. Rosthern is very much nearer the centre of the province than Indian Head is, and it has already carried on a good deal of experimentation in fruits and other things. There has been some talk of removing the farm from Rosthern, but if something along the line of expansion in horticulture is carried out I can see where very good work could still be done by the Rosthern farm. We have also been very successful in bee culture. I would ask the minister to consider the advisability of spreading a little in horticulture at Rosthern.

Mr. MOTHERWELL: We are considering it now.

Mr. GARLAND (Carleton): Is the embargo on American baby chicks still in force, and is there any objection to the way it is working?

Mr. MOTHERWELL: There is an embargo against all kinds of chicks from some twelve or fifteen states. Of course, that covers baby chicks.

Mr. GARLAND (Carleton): According to the understanding of the producers of poultry in Ontario, if a certificate from the Bureau of Animal Husbandry of the Department of Agriculture of the United States accompanied the shipment, it would be allowed to come in. I have been led to believe however, that they are allowed in without that certificate from the bureau, but with a certificate from some veterinary in the United States, which is very easily procured.

Mr. MOTHERWELL: If that is happening we will stop it. A certificate is required to show that the chicks do not come from the quarantined states against which the embargo is in effect. If my hon. friend will bring the matter to our attention in such a way as to start the wheels of inquiry in motion, we will certainly look into it.

Mr. PRITCHARD: What was the net profit on the steers that were fed last year at the experimental farms?

Mr. MOTHERWELL: We have not that information.

Mr. PRITCHARD: It is rather strange that the minister cannot give that information. Were the steers fed for profit or for experimental purposes?

Mr. MOTHERWELL: All that work is experimental. If we get a profit out of it, so much the better, but quite frequently we do not. My recollection is that we made money on the steers we sold for feeders. On the ones we sold for fat animals to be killed immediately on arrival, we got two cents less, and for those we sold as chilled beef we got four cents still less, so that on the latter we lost heavily. But the experiment was successful so far as it showed that for intermittent shipments the sale of these animals as chilled meat was not profitable under these conditions.

Mr. PRITCHARD: I understood that all the feeding was done with a view to experimenting and making the results known.

Mr. MOTHERWELL: The information is all published in detail. I should be delighted to supply my hon. friend with the bulletins containing it.

[Mr. Motherwell.]

Mr. PRITCHARD: According to the Auditor General's report, about $20,000 was paid for the steers and about $88,000 for feed, but the total sales of the twenty farms amounted to only $81,000. I would like an explanation.

Mr. MOTHERWELL: If we are to feed our own cattle we would have to buy more land to grow the feedstuffs, but if I brought down an estimate here for three or four hundred thousand dollars to buy additional land my hon. friend knows I might have great difficulty in getting it through, judging by the way such increases have been received in the last two or three years. It is a very expensive business buying the feed for these experimental farms, but we have to do it or enlarge the farms. A lot of this revenue from the cattle does not show in the Auditor General's report. A certain part of the proceeds goes into the Receiver General's hands, and a certain part back into the operations of the farm. I have simply been following the system of accounting that has been followed here for the last thirty or forty years.

Mr. LEWIS: I notice that the experimental farms brought in a revenue of $125,000, about one-twelfth the total expenditure for the experimental farms. Is this sent back to the government?

Mr. MOTHERWELL: Yes.

Mr. PRITCHARD: I am not prepared to leave this matter yet. I have been a cattle feeder all my life, and I have had to pay my own bills for feed. While I do not expect the experimental farms to be a paying institution, I am taking only this one item of feeding cattle, and I find the farms could not grow enough to feed their stock. They sold $81,000 of steers, and that included the cost of the steers.

Mr. MOTHERWELL: What farm was that?

Mr. PRITCHARD: I am taking the sales of twenty-one farms, but I am not charging up the expenses of the Ottawa farm, and yet we fall $7,000 short of the feed you bought for the $20,000 worth of steers handled. I do not see why you bought so many if you could not make them pay.

Mr. MOTHERWELL: What is the point —that something disappears somewhere, that it is not good business buying feed? I quite agree with my hon. friend. I have been signing accounts not only here but elsewhere for the purchase of feed that I know is not good business; but you have either to do that or buy more land for these farms. I have

not been accustomed to buying feed for my own farm. I do not think a man should buy any feed that he can grow; but that is my opinion with regard to a private farm, and I cannot carry out my opinion with regard to these experimental farms. I have simply the money to spend that is voted by parliament. I try to get all I can, and to get the votes through this committee as easily as possible, but I say that you cannot run a farm at a commercial profit, speaking generally, if you buy your feedstuffs. I suppose that if you had the very finest class of feeding animals and the most skilful feeder, and you could buy your grains cheap and everything was favourable, you might show a profit, but you would show far more if you grew the grains yourself.

Mr. FORKE: The minister is up against that old statement that when the farmer eats his own eggs he is getting cheaper eggs than if he bought them in the store. It is the same with the farmer who raises his own feed for his cattle.

Mr. MOTHERWELL: I do not think it is the same thing. If you buy your feed you pay for the cost of production plus the other fellow's profit. If you raise it yourself, there is just the cost of production.

Mr. FORKE: The minister says it does not pay to feed cattle when you have to buy the feed, but the little margin of profit you have to pay in that case should not make so much difference. A ton of hay on your own farm is just as valuable to you for feeding cattle as the ton of hay the other man has to sell. It is the old story that what the farmer consumes himself does not cost him anything, that if he uses his own chickens, they do not cost him anything; but the chicken the farmer consumes off his own farm has just exactly the same value as the chicken the man buys in the store. There is no difference.

Mr. MOTHERWELL: We will just carry that out to its logical conclusion. Here is a farmer, and my hon. friend says it does not make any difference whether he buys his feedstuff or grows it; so he follows the easier method and buys it if he has the money, and keeps on buying and buying—buying feed, and calves, and everything. Now where is he going to get off eventually? It may be able to be done, but I tell you frankly I do not know how to do it. The less you buy that you can raise on the farm, the better off you are. If you keep on buying, buying roughage and hay and concentrates, and paying for your labour and housing and all that sort of thing, I do not see how you are going to make it pay. On the other hand, if you put the labour of yourself and your family into it—I gave this illustration once before and one hon. member was considerably exercised over it—if you can manage your farm with the labour of your own family, assuming that you have a family, and I am fortunate enough to have one, that is the way the farms of Ontario were run and made to pay, not by paying for everything outside. That is my own idea, and I am surprised that a good canny Scotch farmer like my hon. friend would justify buying anything at all that he could raise on his own farm.

Mr. FORKE: I remember a system of farming in Scotland where the farmers never raised any sheep; they raised turnips and grain, and bought all their sheep. It did not pay them to raise the sheep. That is an instance of where it pays to buy. If you go to the lowlands of Scotland you will find very few men raising sheep on their farms; the sheep are bought from lands that are better suited for raising sheep, lands that are not so valuable. There is another point. The minister talks about the farmer and his family working. I want to protest against the idea that to make a living on a farm the farmer and his wife and family have all to work. Do you know any other business where they have to do that?

10 p.m.

Mr. MOTHERWELL: With regard to the buying of sheep to be fed on turnips and other fodder grown on your farm, that is sound policy. You are buying live stock; but it is vastly different when you are buying hay or fodder.

Mr. FORKE: I do not see why.

Mr. MOTHERWELL: Out in the west that is what they do at feeder shows. They buy range steers, and ship them down to Ontario and other eastern provinces and feed them there. But when you start in to buy feed, your profits begin to disappear. As for the family working, my hon. friend knows that he got along himself by the hard toil of himself and his family, and that if he had to pay for all his labour, and unwilling service very often, his profits would have been a lot smaller than they were. I do not think it is a bad thing for a man and his family to have to work as long as they get a reasonable reward.

Mr. FORKE: That is the point. But what about those thousands of sheep that come

down to Fort William where the feed is all bought? They make a big profit out of those sheep.

Mr. MOTHERWELL: They are fed offal that would otherwise be thrown into the lake. That is found money.

Mr. PRITCHARD: How do you expect these men at Edmonton are going to make a profit if they buy cattle and buy the feed, when the experimental farms cannot do it at a profit?

Mr. MOTHERWELL: I have a memo. from my deputy here pointing out that the money that is got from these animals does not show in the Auditor General's report. Part of it goes back into the farming operations and part to the Receiver General. My hon. friend asks me, if the government cannot make money buying feed, how can anybody else do so?

Mr. PRITCHARD: Yes.

Mr. MOTHERWELL: I am not saying that anybody is making money. If you are going to buy everything, buy your feed, put up your building, buy your labour and concentrates and buy your steers, believe me, you have to do some fancy work.

Mr. SENN: I have heard several hon. members to my left making suggestions to the minister that the experimental farms might very well be established in their own districts, and I understood the minister to say he was quite favourably disposed towards that proposition. Would the minister give us a list of the experimental farms in each province, and the total amount of this vote which is being expended in each province separately, outside of the experimental farm at Ottawa.

Mr. MOTHERWELL: With reference to these branch farms, if we had somebody to do the work, I think we could perhaps dispense with three or four of them which are not doing as useful work as some others, and I believe we would get better results if we concentrated on the others. I do not see why we should have more than two in each of the three prairie provinces, or more than one in each of the Maritime provinces and three or four in the central provinces of Quebec and Ontario. I think we might have some impartial tribunal, and get some man like—

Sir HENRY DRAYTON: Duncan Marshall?

Mr. MOTHERWELL:—some man like the president of the Agricultural College at Guelph, Mr. Creelman, or Mr. Reynolds, or J. W. Robertson, or two or three of those gentlemen who have had no political bias, with no idea but the good of the experimental farm system. Such men might very well decide how many branch farms there should be in each province and stop at that. I know there is a temptation just prior to every election to spread out in the matter of experimental farms, and the result is that some of them are very politically and very unfortunately located. I am not referring to any particular party in this regard. If the farms keep on growing in this way there will be no definite plan in regard to them. I think there should be a specific system of branch farms, beyond which we should not go, and they should be used for developing the activities of the Central farm.

Mr. SENN: This is a fairly large vote, and there is an increase over last year of $40,000. Will the minister give us a list of the experimental farms by provinces and the cost?

Mr. MOTHERWELL: You mean the amount of money?

Mr. SENN: Yes.

Mr. MOTHERWELL: The hon. gentleman wants to know the number of farms and the amount of money for each individual farm?

Mr. SENN: Yes.

Mr. MOTHERWELL: For this year or last year?

Mr. SENN: Both.

Mr. MOTHERWELL: I will give last year. The figures are as follows:

Charlottetown	$26,000
Kentville, Nova Scotia	46,000
Nappan	30,000
Fredericton	44,000
Ste. Anne de la Pocatière, Quebec	41,000
Cap Rouge, near Quebec city	46,000
The Horse farm, associated with the same farm	16,000
Lennoxville	44,000
La Ferme	33,000
Kapuskasing	30,000
Harrow, Ontario	25,000
Morden, Manitoba	37,000
Brandon, Manitoba	46,000
Indian Head, Saskatchewan	39,000
Rosthern, Saskatchewan	31,000
Scott, Saskatchewan	32,000
Swft Current, Saskatchewan	33,000
Lethbridge, Alberta	46,000
Lacombe, Alberta	42,000
Summerland, British Columbia	44,000
Agassiz, British Columbia	39,000
Invermere, British Columbia	36,000
South Vancouver Island	30,000

Then we have sub-stations like Grande Prairie and Vermilion, $9,000.

Mr. PRITCHARD: Can you give the revenue?

Mr. MOTHERWELL: We have not it totalled by provinces. In Nova Scotia the total was $86,000 and in Quebec $165,000.

Mr. SENN: Does that include illustration farms as well in the different provinces?

Mr. MOTHERWELL: No, nor the sub-stations. I have just read the sub-stations.

Mr. PRITCHARD: I have no desire to do anything to injure the work of experimental farms, but we are dealing with this vote which asks for an increase of $40,000 over last year. I am in favour of all the research work and I have no criticism to offer of the farm at Ottawa. I do not look for anything in the shape of monetary return in that work. I believe they are rendering a great service, but there is a feeling abroad through the rural sections that we are going too fast with our experimental farm enterprise. If you cannot show that you are teaching us anything from your operations experimentally, and it is a failure financially, why ask that more money should be spent in the same way? I am not a bookkeeper, and the hon. minister tells me I have not looked at the figures properly. I take the total sales of those farms and I add them together. I admit I may have made a clerical error. I took the cost of the steers and I added it up. I do not see how there can be any mistake in the amount of the total sales of the steers or the total expenses of this year. The total sales for the whole of the farms was $81,000, and $20,000 of it was put in for steers. I think that we should have some explanation of how this business was transacted. Those of us who have fed cattle all our lives will look at this matter with interest. If we had lots of money, if we were a wealthy concern that had money to burn, I would have no fault to find with the spending of our money on all sorts of things without getting any return, but we are doing business and are somewhat in the position of a man that is hard up, and we should realize our position financially. I would not give much for the chances of the business man who would undertake to run his farm in the same way that we are running these experimental farms. For my part I think that, taking what the hon junior member for Halifax (Mr. Black) says about the farm down there, the minister would be well advised if he would make a present of that to the province of Nova Scotia. He could also make a present to the provinces of a couple of farms in the west and a couple in the east.

Mr. MOTHERWELL: They would not take them.

Mr. PRITCHARD: The minister would get $140,000, and now you are asking for $40,000 more to go on and do the same thing over again. We have in this country, from the Atlantic to the Pacific, men who are making money in farming operations. What I have asked the minister to do before and what I am asking again to-night is to run a farm so as to make it financially profitable. I do not know why the government do not try that. They have never attempted it so far as I know. If they started such a farm and suffered a loss on it, I would say: All right, try again, and keep at it even if it is a loss. But I do not believe in spending hundreds of thousands of dollars in carrying on an unprofitable business. We are not reaping any benefit in the way of gaining experience from the operations of these farms, as the minister tells us that he cannot give us any information.

Mr. MOTHERWELL: What is my hon. friend complaining about? What is the difficulty? There is nothing in the Auditor General's report, but I told him some time ago that the Auditor General's report does not show the receipts from these steers. Supposing $2,000 is paid out of the experimental farm vote for steers and those animals are sold afterwards for $2,500, the money goes back into the same vote. It does not go to the Receiver General, it goes back into the operations of the farm from which it came.

While I am on my feet, might I answer that theory that a government farm primarily established for experimental purposes should show a profit? Surely no hon. gentleman in this House believes that can be done by anyone under the sun. I know there are some who are said to be doing it out in the west. The International Harvesting Company are said to be doing it in the United States and are offering to do it on the prairies, but I want to be shown. I never saw anybody do it. How are you to keep these farms in proper shape at all times for visitors, for excursions that may come along at any moment? How can you keep the lawns, borders and everything else in proper shape? My hon. friend must put that kind of improvement on his own farm and he knows there is no revenue except the pleasure which he gets out of it.

In my opinion, it cannot be done; at all events, I will admit that I cannot do it. You cannot run an experimental farm established primarily for experimental purposes, for profit, in the same way as you would run another farm.

Mr. PRITCHARD: The minister has not got my point.

Mr. MOTHERWELL: I am pinning my hon. friend down to what he was saying.

Mr. PRITCHARD: I said that I wanted the government to run a farm for profit, not for experiment.

Mr. MOTHERWELL: That is another matter.

Mr. PRITCHARD: We have a list of salaries paid to officials for these experimental farms running up to $235,879. If you will let three or four of these officials do as we have had to do when we have bought farms, borrow the money and pay interest on capital, and let them show, at the end of the year, their balance sheet, that is all we want to see. We do not want an experimental farm, we want a farm for business, for profit. We have, in Canada, men who are farming for profit and who are making a profit, and these men are laughing at us. I could cite cases if I wanted to, but I do not feel disposed to mention names in this House to-night. I can cite several cases where they are laughing at some of the statements of men who are setting up to be authorities on agriculture in this country. I feel like some other hon. members who have spoken on agriculture to-night. We have in our country one of the best colleges, if not the best college in the Dominion, and I am sorry to say that right under the shadow of that college and right in the vicinity of that experimental farm we are not getting the information put into practice by the men there as we would like to see it put. As I have said before, there are weeds growing right beside the experimental farm, and 75 per cent of the cattle are below what they ought to be. If we are failing in what we set out to do in our experimental farm work, why increase the work and the expenditure? If you want to use the money already allotted, cut out some of the farms in the east and the west and go into the outlying districts, such as the Hudson bay region, in a small way. I do not want to curtail the work at Ottawa. I have no criticism to offer as regards that institution. The criticism I have to make is in regard to laying out hundreds of thousands of dollars in outlying points where insufficient return is received for the work we are carrying on there. I am expressing the views of a number of men in the country. If you look over the list, you will find many things that men who are in poor circumstances do not like. I find that on one farm the cheapest horses that were bought were four horses bought from one man for $750.

Mr. MOTHERWELL: Which farm?

Mr. PRITCHARD: I cannot tell you which farm. The prices paid ran up to $500. Just by the way, the other day I was talking to a business man at home who has been a farmer, and he complained about a certain young man starting out to pay $125 each for two horses, saying that that was too much for him to pay. But we have plenty of money to pay $400 for a horse, whereas these people have an idea that they can go out and buy as good horses for $300. I find that $400 is paid for Jersey cows and these people think it may be possible for someone to go out and buy these cows for $300. Whether that is the case or not, these men who are paying the taxes imagine that that can be done. Many people throughout the country are feeling sore about this, and coming from an agricultural section I take the liberty of mentioning it. I do not want to speak disparagingly of the experimental farms, but I am dealing with this estimate and I think the increase should be cut out this year.

Mr. MOTHERWELL: Is it Guelph my hon. friend is talking about?

Mr. PRITCHARD: Yes.

Mr. MOTHERWELL: Was that where the horses were bought?

Mr. PRITCHARD: No. I took all the farms and all the horses bought by the department.

Mr. MOTHERWELL: My hon. friend's leader a short time ago was lecturing about all these stallions being sold. Now my hon. friend thinks that we are paying too much for them.

Mr. PRITCHARD: I do.

Mr. MOTHERWELL: The hon. member had better settle that with his leader. What is the use of discussing whether too much or too little has been paid for a horse, without seeing the horse. I cannot bring the horse in here as was done with the apples the other day. I do not want to discredit my hon. friend's criticism, but I have heard that kind of criticism quite frequently and I know it is entertained. My hon. friend represents a certain element in the community. I re-

ferred to it in the earlier part of the evening when I said that many people have no use for these farms. These are experimental farms. If my hon. friend wants commercial farms established and run, we shall have to have another vote for that. You cannot have that under this vote. These are farms primarily meant for experimentation. If you can make any revenue out of them, all well and good, but as a rule these experiments cost something. I remember the other evening the hon. member for Humboldt (Mr. Stewart), when we were discussing dehydrating plants with which we were experimenting, made a similar criticism. I will tell the committee something that I did not know at that time, that we have two commercial dehydrating plants that developed last fall. We did not give them any grant, but they are developing there, one in the Annapolis valley and one in the Okanagan valley. The comment of my hon. friend was that when they got going, it was hard to stop them, and so why not get them started commercially? We have started them commercially, but as a result of these experiments private capital has gone into them. When we are through with experimental farms, why cannot private capital develop these farms commercially? It is not the function of a government to develop commercially operated farms. Does my hon. friend think that any government under the sun can operate a farm as economically and successfully as a private individual can?

Mr. MEIGHEN: Under the late government we did, in the case of some of the greater production farms.

Mr. MOTHERWELL: Yes, but that was with Indians, not white men.

Mr. MEIGHEN: Oh yes, we operated them, the Indians did not. I admit, however, that I have no hopes of this government doing the same.

Mr. MOTHERWELL: I know of no greater production farm which has ever been operated more successfully by a government than by private individuals, except the greater production experiment which was carried out by Mr. William Graham, with the Indians.

Mr. MEIGHEN: If we did that with Indians, what could we not do with white men?

Mr. MOTHERWELL: I know what Indians can do, and I know that one thing which they can do is farming. They farm the way our forefathers did.

Mr. MEIGHEN: They are not Progressives.

Mr. MOTHERWELL: They are, in the strict meaning of the term. Now, I do not know where I was.

Mr. FORKE: I hardly know what the minister was trying to unload on me when he associated me with the hon. member for North Wellington (Mr. Pritchard). I really got up to help the minister out a little.

Mr. MOTHERWELL: Thank you.

Mr. FORKE: While the hon. member for North Wellington was speaking about experimental farms I began to think about the one at Brandon. I have every summer made it a point to visit the experimental farm there, and I would say a word or two with reference to the gentleman who was formerly in charge, Mr. McKillican, who is now at the agriculture college in Winnipeg. As he has left the Brandon farm I am free to say what I like in praise of him. He has been making an effort for a number of years now to popularise that farm among the farmers in the vicinity who visit Brandon once or twice in the summer to discover what is going on there in the way of raising crops and live stock. Now, when you consider that that farm is divided into hundreds of plots, a quarter of an acre here growing one thing and another plot somewhere else growing something else, different kinds of grains being experimented with, you can readily realize how impossible it is to make a paying proposition of anything of that kind. It is in a different category entirely from any farm operated on a commercial basis. Then take the horticultural side of the farm; there you find experiments in plums and different kinds of fruit, some of them paying and others not. It is all an experiment, and it is a matter for the government to consider whether it is of sufficient benefit to the people for the money that is spent on it. That is the question; it is not a question of commercially operating the farm with profits in view. The object of the institution is to give information to the people in the surrounding country as to what can be done and what is the best variety of grain or the best grade of cattle, as the case may be.

I do not know anything about prices paid for live stock, but I would hesitate to suggest that the experimental farm at Brandon is not a success. It is a distinct benefit to the community and is increasing in popularity. Each year there are more and more people visiting the farm, and last year when I was down there looking over the crops there was a very large attendance. They bitched up

teams and drove around the different fields, the man in charge explaining what the different varieties of grain were, and so on. Some were more liable to smut than others, while some were peculiarly liable to rust. I really think that a great deal of benefit is derived by the farmers from the institution, and the one criticism I have to offer is that the farmers do not take sufficient advantage of the experiments that are carried on in their interests. They do not realize the privilege that is within their reach. I want to pay a tribute to Mr. McKillican, and I do it all the more cheerfully because he is out of the department, being now engaged by the province of Manitoba. Certainly he did a great deal to popularize the Brandon farm. I had almost forgotten to mention that the women find a great deal to interest them in the farm; they go there to find out what can best be raised in the way of vegetables and things of that kind.

Mr. MOTHERWELL: The speech of my hon. friend is to the point, and I thank him for the tribute he has paid. If he would be good enough to do so, he might take his follower from North Wellington with him to the farm and give him a few kindergarten lessons.

Mr. BROWN: I have visited only two or three farms but those that I have seen amply justify their existence. That at any rate is my opinion. One of these farms in my own constituency I had the pleasure of visiting at the same time as the minister (Mr. Motherwell).

Mr. MOTHERWELL: Yes, we had a good time too.

Mr. BROWN: Yes, we did have a good time; nor do I think that anyone could visit that farm which is operated at Morden without being impressed with the value of the work that is done there. I do not suppose the experimental farm there is conducted in such a way as to show a profit, any more than any one of the rest of them. Nevertheless, they are doing a work of incalculable value to the people of the northwest. My hon. friend (Mr. Forke) has seen fit to pay a tribute to the man formerly in charge of the Brandon farm; I would pay a similar tribute to the young man in charge of the farm at Morden. I am surprised that such things should be said as were said by the hon. member for North Wellington. The fact that there are some farms in the vicinity of these stations that still show signs of weeds and bad farming is aside from the point altogether. I might remind my hon. friend of the old saying, the nearer the church the further from grace. That may be true in regard to some of these farms, although of course I do not suggest that it is necessarily so.

We should like to see these farms carried on as economically as possible, of course; but we cannot reasonably expect them to show a balance on the right side of the ledger from the strictly money point of view. There was one point brought up by the hon. member for Brandon on which I could not quite agree with him, and that is in reference to feeding on the farms and at home. If my hon. friend has some straw stacks out in the prairies in which his cattle are running around, he will realize that he has something that is absolutely of no market value, and which at the same time is of value when fed in that particular way. If he will bear that in mind he will perhaps realize that there is not so much ground for his criticism after all. I think we all realize that on the farms we have an immense amount of roughage that can be profitably used there and nowhere else.

Mr. SPEAKMAN: I want to say a word about the decreasing value of the older farms, but before I do so I must take issue with the minister on a statement he made a little while ago in regard to stock feeding. I do not consider myself an expert farmer, but I do know something about feeding stock, because this is something I have had to do from the age of ten. The minister made the statement that while it was impossible to purchase feed and feed at a profit it was possible to grow the same feed on the farm and then feed profitably.

Mr. MOTHERWELL: I said more than that.

Mr. SPEAKMAN: That is part of what was said by the minister.

Mr. MOTHERWELL: I said a lot of roughage would go to waste anyhow.

Mr. SPEAKMAN: Precisely; but I would point out that very little of that roughage is of any value in finishing stock. To my mind, the value of hay or grain or any other form of feed you grow is exactly the value you can get for it on the market. If I have a bunch of young cattle I want to fatten —baby beef—and I have a stock of hay and other feed, I take the value of the stock unfed and the value of the feed as it stands, that is, the price I can get for it on the open market, and if I can get more by selling the two separately I will do so. If I cannot make money feeding that stuff at the market price, then I cannot make money either by growing it or buying it. Every pound of feed grown on your own

place and fed to your own stock is worth exactly what you can get for it on the open market. I think the suggestion of the hon. member for North Wellington (Mr. Pritchard) might not be so far out of line as the minister intimated. He said this was an experimental vote. I quite agree with him, and I suggest that one of the chief experiments should be to see if we could carry on farming at a profit. Certainly that might be considered in the light of experimental work.

I did hold the view very strongly that our older farms had practically outlived their usefulness, but I have rather changed my mind. I can say so the more frankly because I am speaking of a farm which will not be in my constituency after redistribution, so no one can accuse me of talking politics.

Mr. MOTHERWELL: Lacombe?

Mr. SPEAKMAN: Yes. In the newer districts they have certain problems. Take Lacombe, the first experiments were to see what grain could be grown in the surrounding district which would not be subject to frost, to find out how cattle could be fed on grass, and so on. That phase has passed away. The important phase now is to study crop rotation, because you are dealing now with soil which has been depleted of much of its natural humus. Consequently an altogether different set of problems have to be studied. I may say that I put in some time last summer in going into the business aspect of that farm, because I had felt that this was a vote which might well be reduced without impairing the efficiency of the farm. I took the trouble to see how much correspondence had passed between the farm and the farmers of the surrounding country in order to gauge the value of the farm to the farmers within a hundred mile radius. I estimated the number of visitors. I was surprised at some of the results. The letters numbered about 20,000, and I found by inquiry among the farmers within that radius that the most valuable were the negative results.

Mr. MOTHERWELL: That is right.

Mr. SPEAKMAN: At times we in that country are deluged with literature and pestered by salesmen advocating some new kind of seed that is frost proof, rust proof, cutworm proof, drouth proof and everything else; in a word, the seed will make our fortunes. Hundreds of farmers have paid out good money on the strength of such representations. This experimental farm carries on experiments with grain seed offered for sale, and they advise the people of the district whether the seed is of the quality represented. I made an estimate, based on the number of inquiries received by them and on the answers given me by farmers in the district, and I have reached the conclusion that the experimental work resulted in a saving of at least $80,000 because the farmers had not bought this useless seed that they would otherwise have wasted their money on. That negative result is something I had not considered before.

While I believe the farm has been carried on well, and while I believe that Mr. Reed and his staff are not only capable but enthusiastic, anxious to do their work and give all the service possible yet I think some lines of experimentation are being duplicated in the province. For instance, we have stock feeding experiments conducted at Edmonton, one hundred miles away, by the university under provincial auspices. We could very well come to an arrangement by which the federal farms and the provincial institutions might carry on experimental work along different lines and so avoid unnecessary duplication. Undoubtedly a considerable saving could be effected by a careful system along that line. After going through the district and observing the beneficial influence that has been exerted by the farm in the last year, for instance all through that part of the country the people are growing shelter belts, flowers, small fruits and shrubbery, I believe the farm has been worth while and is still doing exceedingly good work. But I should like to have the minister take steps so that as far as possible—and I discussed this very frankly with Mr. Reed—no duplication of research and experimental work should be continued as between the federal experimental farms and the provincial institutions. I believe it would be easy to arrange for certain phases of the work to be taken over absolutely by each class of institution, that is, when they are close together and the conditions are comparable. I have not made a careful estimate of the saving that could be effected, but when we discussed it we were agreed that undoubtedly a considerable saving would result and the money so saved might be devoted to the carrying on of experimental work that is now being neglected.

As I said at the outset, I visited the farm under the impression that the vote ought to be reduced, but after going through all the books and files I came away very dubious as to the ability of the manager to reduce his expenditure by one dollar, because it did seem to me that he had made a dollar stretch to a dollar and a half wherever he possibly could, even to the extent of taking off his coat and working after hours. But I also

came to the conclusion that when the management is efficient—and I say this because I do not know whether the management is equally efficient elsewhere—and they recognize the changing nature of the problems to be dealt with, keeping a little ahead of the farms in the surrounding country, these old farms are still doing good work and might well be continued.

Mr. MOTHERWELL: It would be well if more hon. members would follow the example of my hon. friend from Red Deer (Mr. Speakman) and visit these farms. I find that a distressingly small number of public men visit our experimental farms at Lacombe and Lethbridge. I had the same view regarding these older farms, but I find that new problems present themselves with changing conditions, and I do not know when the time will come that these farms will not be useful. The other proposition regarding overlapping is something we have all along the line more or less. We are trying to cut it out all we can, but in a system of farms like that the provincial men will have their ideas and our men will have theirs. I think, though, we can still travel a little bit further and a little bit faster along the lines suggested, with a view to avoiding overlapping.

Mr. SUTHERLAND: About half an hour ago the minister said that these old farms had lost their value and he recommended the appointment of a commission with a view to eliminating a great many of them; that an experimental farm was really not much use except in the newer districts. But now, if I understand him correctly, he is advocating the value of the old farms. I do not know which view he is going to carry out after this item is voted, but I do know that the minister is advancing two or three different policies. We would like to know what his views really are. If he does not approve of his farms, why not pare down the estimate? The minister said there was a tendency to increase these appropriations for experimental farms just before an election; that everybody liked to have an experimental farm in his vicinity. Well, there is an increase of $40,000 again this year.

Mr. MOTHERWELL: But not for new experimental farms.

Mr. SUTHERLAND: At any rate, there is an increase. The hon. member for Haldimand asked for some information with regard to fruit growing, and the minister stated that if we did not hand these things out to the provinces they would go ahead and do the work themselves. Why not have a uniform system? Why not treat all provinces alike? Why discriminate against one province and favour others?

Mr. MOTHERWELL: Is my hon. friend referring to Ontario? We cannot press these things upon Ontario; they must want them.

Mr. SUTHERLAND: They want them and want them badly. New farms are being established by the provincial government in Quebec almost every year. The farm in connection with the Agricultural College at Guelph is one of the best on the continent, and that work is being done entirely by the provincial government. The minister has said that you cannot carry on this experimental work and demonstrate that you are able to make a profit. But surely with twenty-one farms, one hundred acres here and there might be used to show what the cost of operating a farm under ordinary conditions is and what the ordinary revenues would be. That information would be of great value to many people. With regard to the receipts from the farms, the minister stated that the Auditor General's report did not contain that information; I think it does contain it. I notice that the receipts from all the experimental farms for the last year were $125,814 and that there was expended on wages on the one farm at Ottawa $192,017. I do not want to leave a wrong impression with the committee; of this $192,017 the salaries of officials amounted to $29,496, but the cost of ordinary farm labour on this one farm was $162,520

Mr. MOTHERWELL: Not ordinary farm labour.

Mr. SUTHERLAND: Yes, ordinary farm labour, according to the Auditor General's statement. I think we are justified in asking that some real demonstration work should be done, even on an experimental farm, to show the actual cost of production. Work of this nature is being done at the Ontario Agricultural College farm at Guelph. I know this does not make any impression on the minister; he is going to ask the House to vote this money again, even though he takes the view that a lot of it is absolutely wasted and that a commission should be appointed with a view to doing away with some of these farms. I do not agree that the old farms cannot do useful work. In fact, if an experimental farm can do good work at all it is in the old settled districts. Where the land is new, crops of almost any kind can be grown without much effort; it is in the old settled districts that the greatest problems arise and where science can be applied and remedies provided to bring about better re-

sults. A few years ago the minister held the same view that he holds to-day—that the old farms have outlived their usefulness. I think the minister ought to comply with the request of the hon. member for Haldimand and bring down a statement showing the amount of money to be voted for these farms and illustration stations in each province so that we shall have a fairly good idea of what is being done. The minister talks about the need for economy and refers to the cutting down of estimates. It is true that the government have cut down the estimates in some respects. The appropriations for the building of highways have been struck out and the provinces now have to provide the money to carry on this work without the assistance of the federal government. The same thing holds with regard to federal aid to agriculture under the Agricultural Instruction Act; nothing more is to be done along that line and the provincial governments have to take up the work themselves. Then there was the housing question; the government have eliminated assistance under that head, and they have refused to give any assistance in the matter of unemployment. They are paring down these items in refusing to do anything, but when it comes to a matter of experimental farms, many of which the minister states are of very little use and ought to be done away with, there is no reduction but on the contrary an increase of $40,000.

Mr. MOTHERWELL: My deputy has figured up the amounts that are being spent in each province. They are as follows, in round figures: Prince Edward Island, $42,000; Nova Scotia, $86,000; New Brunswick, $44,000; Quebec, $165,000; Ontario, $57,000, outside of the Ottawa farm; Manitoba, $75,000; Saskatchewan, $144,000; Alberta, $87,000; British Columbia, $140,000. You will notice a considerable disparity when we come to British Columbia. Because of its tremendous variety of conditions, with its valleys and mountains, it has been found advisable, and I have no doubt justifiable, for it to have more forms than some of the other provinces; but that does not account for Saskatchewan having four farms, while Alberta and Manitoba have only two. I do not think even my hon. friend from South Oxford, however, would hold me responsible for the way these farms are distributed, because they were all there before I had anything to do with them. My good friend has tried to make out—I do not know exactly what he was trying to make out, but I think he was trying to show that I had two or three policies, and yet had none at all. As I intimated the first year I took charge, I thought some of the older farms could be dispensed with. I think now more farms can be dispensed with, without designating whether they are new or old. I have had just the same experience as my hon. friend from Red Deer. The closer I get to some of the old farms, the more familiar I become with them, the more I find that their problems are changing with the passing of years, and though they may not be quite so useful to the settlers as they were in earlier days, we find they are still required. We find farms existing in the old countries for over a thousand years, and finding new problems all the time. It is not an easy matter to decide on just which four or five farms we can dispense with and still have enough left, not so much for the purpose of teaching agriculture in their respective provinces but for co-operating with the provinces working in conjunction with the Central farm. That is what we want them for rather than for teaching agriculture in their respective provinces, which is primarily a provincial duty.

My hon. friend from South Oxford has got that same idea that the farms can be run commercially, or at all events he pretended to have that idea; I do not really think he believes it for whatever faults he may have he is a practical farmer, and he knows just as well as I do that if he had to hire all the labour for his farm, including his farm foreman, he would have to hunt around for his profit. There are over eight hundred thousand people conducting commercial farms; so why should the government go into that business? One of the vital problems in making a farm pay is the difficulty of getting competent farm foremen. I know this myself. I hunted around for them, but I never had a proper one yet; I never found one that could get the same results out of my machinery and team that I could myself. I do not know what further I can tell my hon. friend. I have given him the figures for Ontario and all the other provinces, but if there is anything I have overlooked, and he will repeat his question, I will try to answer him; but it will be difficult to convince me that you can run a farm successfully when you have to hire all your labour. I understand that my hon. friend had ambitions at one time of being Minister of Agriculture. If he ever has that experience, I would suggest that he try it out and see how it works. Maybe some day the opportunity will come his way.

Mr. HANSON: What particular lines of policy are you following at the farm at

Fredericton? What particular problems is the superintendent there carrying on?

Mr. MOTHERWELL: The biggest problem is to get the stones out and get the ploughing done. We will be able to build houses for the foreman and all the men before we get all the stones off that place.

Mr. HANSON: That is said very facetiously. That is not a fair answer to my question. I admit that on one part of the farm, where they are building a new house on the crown of the hill, there are stones; but it is not a bad farm. It is a very good high land farm in the immediate vicinity of Fredericton, as good a one as can be found in the district. I would ask the minister to tell me seriously, if he can get his mind down to a serious problem, just what problems Mr. Bailey, who is a first-class man and is trying very hard to interest the farmers in central New Brunswick in the farm, is devoting his attention to.

Mr. MOTHERWELL: I did not mean to make any reflections on the farm. This is getting kind of dry, and as the hon. member for South Oxford does not seem to be contributing to the entertainment, I thought I would do a little myself. But the big problem at Fredericton really is getting out the stones, so that we can get on with the ploughing. I may say that they are using not only horse-power but ox power, and I was very glad to see that, because it is a cheap and economical means of supplying power for the breaking of a new farm. A great many of the Maritime farms at the outset have a shortage of lime in the soil. That condition is more pronounced in the other two Maritime provinces, and the problem is to supply the soil with some antacid or mussel mud. Then in addition, there will be the growing of clover and grass and the rotation of crops. I did not mean to disparage the farm at all. I was rather pleased with the work done there, and if my hon. friend had just given me time I was going on to tell him of the work, but he was so loyal to his district he was afraid I might not come to the other part.

Mr. TOLMIE: A little earlier in the debate, remarks were made with regard to the necessity of an experimental farm in northern British Columbia. When I was minister I was over that territory, and I found it a very rich country with a great future, particularly in agriculture. It is a fine grass country that gives great promise as a live stock producing area, particularly in the dairying line. I think at the very earliest opportunity a farm should be established in the best place in that great northern section, an empire in itself.

11 p.m.

With regard to the removal of the experimental farm at Agassiz, that farm has rendered a very valuable service during the time it has been located there. I can quite understand it would not be of great value to the hon. member for Cariboo because he is located in the dry belt area and under conditions quite different from those prevailing in the section where the Agassiz farm is located, where there is a heavy rainfall. No one can say that the farm at Agassiz has not done good work, after the splendid record it has made particularly in dairying. It has won some of the world's records in the cattle produced on that farm; it has also done excellent work in hogs, poultry, and also in connection with other field experiments. I think it has been very valuable to the Fraser valley section of British Columbia in general. I do not agree with this idea that the minister has presented on one or two occasions to-night, that just as soon as the country gets settled you must move the farm away to some new area.

Mr. MOTHERWELL: I have expressed doubts about the wisdom of that.

Mr. TOLMIE: The minister expressed himself both ways earlier in the evening.

Mr. MOTHERWELL: No.

Mr. TOLMIE: The minister seemed to change his statement a little later on. I desire to say that as a district settles up and farms become more numerous farming problems are greater than they were previously, and an experimental farm located in that district can be of much greater benefit because more people come in contact with it. The minister has presented another problem to-night in connection with the lack of interest taken in our farms. I want to say that, when Minister of Agriculture a few years ago, one of the things that struck me very much indeed was the fact that the farmers do not take advantage of their opportunities of visiting their experimental farms and seeing what splendid lessons they can learn there.

Mr. MOTHERWELL: Hear, hear.

Mr. TOLMIE: Just the same way in connection with the remarks I made earlier in regard to our exhibitions and the splendid feeding experiments carried on there. The

farmers do not take advantage of these, but prefer to send the live stock to market, and grow scrub stock, when they might as well grow good stock. If agriculture is to be made a success, it does not matter what effort the government may make, the farmer has to assist to a very great extent.

Mr. HODGINS: The minister spoke a few moments ago about the chilled meat sent to the Old Country. Would he give us any further information in regard to that? Has he any idea of continuing the experiment?

Mr. MOTHERWELL: I will be glad to send my hon. friend the bulletin, but we do not have it here. I referred to it fully last year, and we had a very good discussion in regard to it on the live stock vote. The vote will not stand a continuance of the experiment. We are going to lose money. We would require to continue the experiment at least a year or two more to get any results, and it is quite possible we would have to establish butcher shops in Great Britain, because of the difficulty of getting the meat sold on its merits as Canadian beef. That would mean considerable expenditure of money, and there are objections to establishing wholesale butcher shops. I do not know how they would be received by your brother butcher shops which have been trading for a number of years. I think it would probably cause a good deal of friction. In the absence of these butcher shops I do not see anything but a substantial loss of money. The stockers are selling pretty well now.

Mr. HODGINS: Does the minister not think he could establish some sort of co-operation with our packing plants and establish that trade? The handling of live stock overseas seems to me to be the most expensive method you can possibly adopt. If there were some system by which you could handle chilled beef, put it on the market and place it in your retail stores in conjunction with the Canadian Packing Companies the trade might be established. I think that is the only feasible way of handling our live stock business.

Mr. MOTHERWELL: There is quite a bit of sense in what my hon. friend says, but he will have to help me create the impression through the country that co-operating with the packers is a safe line of business. There is a tremendously foolish prejudice throughout the country and nine-tenths of it is quite unwarranted. The packers have done a great deal of good work to improve our live stock industry, but we have not accepted it very graciously. It is only by team play in these times that we are going to get the maximum results. I had the pleasure—my hon. friend from South Oxford (Mr. Sutherland) will not object to my making the statement—of accepting an invitation to Gunn's Limited, where some sixty members of his staff and sixty members of the staff of the Health of Animals branch had an evening's entertainment, and the usual nice dinner, but no four point four stuff or anything like that. We had the usual after-dinner speeches. I feel if I did as my hon. friend suggests I would have a hornet's nest around my ears. I am not speaking of the sentiment down here because I am not familiar with it, but there is a tremendous sentiment to be found largely in the west; they are prejudiced against the packers and have no confidence in any experiment in connection with them. It is something like the prejudice we find against public men, and if my hon. friend stays in parliament long enough he will probably find the sentiment directed against himself.

Mr. HODGINS: I will not stay.

Mr. MOTHERWELL: It is something that develops against the big fellow. I think there is something in what my hon. friend says, and possibly they have been conducting experiments. One of our primary objects in our experiments was to check up the figures to see if they were bona fide experiments, because some people were suggesting to us that we could not rely on the factory experiment, that we should make one for ourselves, and in order to remove that suspicion we did so.

Mr. SNOWBALL: I was very much pleased to hear the remarks of the hon. Minister of Agriculture in regard to the benefit mussel mud is to the farms in New Brunswick, that it needs that element to make them productive, especially the rocky experimental farm in the constituency of the hon. member for York-Sunbury (Mr. Hanson). There is a considerable amount of mussel mud available in the constituency from which I come, and I will be glad if the minister will put something in the estimates to have that mud transported to other districts as well as used by farmers in the locality, so that they may get the benefit of it. Provision should be made to enable the farmers to use the mussel mud more than they are able to do at the present time.

Mr. FORKE: I have been a little puzzled at a remark the hon. minister made. He suggested some connection between a mem-

ber of parliament and a packing house. Will he kindly explain what he meant?

Mr. MOTHERWELL: I would like to answer the remarks of the hon. member for Northumberland (Mr. Snowball). I looked into the proposition he presents, and I find this mussel mud is usually dug out when the water is frozen, often on the ice, carried to the adjoining land and hauled in the summer time. I understood it could not be hauled more than eight or ten miles by team to advantage, and a suggestion was made that there should be a spur run into the bay at the island, in order to facilitate the transportation of it more interiorly, and thereby make more use of it. To men out on the prairie it would be a joke, but it is no joke down in the Maritime provinces. It is a real requisite, but the long haul is very expensive and they require eight or ten loads to the acre. We have nothing in this vote to assist that and I have no plan whereby assistance could be granted. At the same time, however, it is an interesting proposition that might be looked into with advantage.

Mr. McKILLOP: Has the minister had any reports lately as to how the premium which is being paid on bacon hogs is working out? A few years ago the minister first announced that this premium was going to be paid and the farmers throughout the country received the news with great pleasure. But I have had several complaints lately that the hog producer is not receiving the premium; that in many cases, when they bring their hogs to the local shipper, they do not receive more for them than they do for the ordinary kind of hog, and therefore many of them are dissatisfied and have quit trying to raise the bacon type of hogs. Has the minister had any complaints along this line?

Mr. MOTHERWELL: My hon. friend, I think, refers to those who sell to drovers at a flat rate?

Mr. McKILLOP: Yes.

Mr. MOTHERWELL: I do not know how you can get over that. The only way is to encourage the hog producers to form co-operative shipping societies, ship to the packers and get the government grader there to grade the hog and the buyer to buy it on the basis of the grade, taking the "thick, smooth" as the foundation of the price and "selects" at ten per cent more. In the small places where the drovers buy, they buy on the flat rate. In fact, I do not see you are going to reach them unless you encourage them to ship in the hogs in carload lots, have a farmer accompanying them and have the hogs marked with tags in the ear to indicate the owner. Then they can get the grade and price according to the grade. That has been done in the west through co-operative shipping associations.

Mr. McKILLOP: At the present time I understand the local shipper or the packer is receiving the benefit of the premium.

Mr. MOTHERWELL: No, it will be the drover. If the drover buys a hog at the price of a "thick, smooth", and he gets the price of a "select" out of it, he gets the ten per cent. The packer does not get the benefit; he pays his money for the "selects", no matter who brings them. That is why the drovers are invariably against the grading. They want the flat price because there is more money in it for them.

Mr. DOUCET: In the earlier part of the evening when I suggested to the minister an illustration station on the north shore of New Brunswick for the purpose of demonstrating the fertilizer value of mussel mud, he said that twenty illustration stations were there located. I find from the Auditor General's report that the only amount paid for illustration stations in my county, where the mussel mud experiment could be conducted, was something like $110 at Rexton. I do not find any for the neighbouring county of Northumberland, and I find a small amount of about $80 for the county represented in this House by the Secretary of State (Mr. Copp). I point this out merely to show that even in that northern section of the province many illustration stations could be established where experiments could be conducted with mussel mud for the purpose of showing to the farming population the fertilizing ingredients contained therein.

Mr. STANSELL: I do not want to be understood as criticizing unfairly experimental farms, because I realize the value of the work that is done by them. It is, however, only fair to say that there has been criticism, not confined to this House, as to the number of experimental farms actually needed in Canada. It must be apparent to all that an experimental farm, no matter what the nature of the work, is valuable only in proportion to the degree that the farmers avail themselves of the results of that experiment. We can readily understand that an experimental farm does not need to be located close to the farmer who is to receive benefit from it. That is easily seen from the fact that farms in close proximity to experimental

farms are usually not much more up to date or better operated than ones at a distance from them. The reason for this is plain. The only farmers who can benefit are those who are willing to apply the result of the experiments to their own operations, and that can be done just as easily from the reports sent out from the farm by the man who lives twenty, thirty or forty miles away as by the man who is quite close to the farm itself. The work of experimenting, it seems to me, could be very well carried on in one central farm in a province. I cannot see the necessity of having three or four or more experimental farms in a province except under very exceptional circumstances. I have many times heard the criticism that there is too much overlapping and that there are too many experimental farms to be in the best interest of the work. Whether this is so or not, I am more than ever convinced to-night that it is by the statements of the minister himself. The minister told us some time ago that he really believed there were too many and that some might very well be done away with. If this is true, there never was a time when that policy was needed more than it is at present. Everywhere we are asked to practise economy. The government is faced with a falling revenue and there is a necessity for economy in expenditure. I think I can speak for the farming population in this country in saying that they are willing to bear their share of real economy in order to help balance revenue and expenditure. If what the minister has told us to-night is true that some farms could well be done away with, why not begin that policy now? Why the necessity of increasing the vote at this particular time when we should be trying to economize? What is the necessity of appointing a commission? The minister states that he believes there are too many of these farms. I cannot see why it is necessary in a matter of this kind when everything is within the knowledge of the minister and when he has the power, that he should appoint a commission to deal with a little matter like this. Especially when Mr. Preston is otherwise employed just now, why cannot the minister deal with it himself?

I have suggested that it might be possible to do with less experimental work; that in each province one or at the most two properly located and well conducted experimental farms should be sufficient. Other work necessary could be done in a small way possibly by illustration farms in different localities: If this is true—and I believe it is—I should like to ask the minister how many illustration farms he has at the present time, where they are located by province, what is the approximate cost of operation and what is the average acreage?

Mr. MOTHERWELL: The acreage is about forty acres to the farm. Sometimes it is not quite that. There are 143 illustration farms. I have not given them by provinces, but while we are looking them up, I will tell my hon. friend why I think it is not advisable just now to make any reduction, until the provinces are consulted. I have discussed the question of reducing the number of provincial farms with two provincial authorities, Nova Scotia and Saskatchewan, and we have further deliberations to enter into before we can take any action, because it is not wise to take action with respect to this matter without consulting the respective provincial departments of agriculture and the respective governments. I have suggested, not a commission but a committee of disinterested men to look into the matter because their recommendations would be freer from, shall I say, bias, than would the recommendations of the minister. He might be accused of partiality towards his own province, his own party or his particular riding, and for that reason it would be better to have an independent committee. I could make the selection right now, for I have my mind almost made up as to where we might do the paring. But I question the advisability of doing it arbitrarily in that way. I think we should consult all the provincial governments affected before doing anything. It has been recommended that we should have co-operation with a view to cutting out the overlapping, and that is a good suggestion. One of the very first things to consider would be co-operation with the provinces in the matter of suggested changes; and in the meantime, while that is being decided, we should keep the farms in a respectable condition.

Mr. STANSELL: The minister has been thinking of this matter for the past two or three years and he admits that it is nothing new. Why not begin in a small way and, instead of increasing the estimate $40,000, come forward with the former estimate if not a lower? Where are the 143 illustration farms located?

Mr. MOTHERWELL: There are in British Columbia 13, in Alberta 15, in Saskatchewan 24, in Manitoba 8, in Ontario 8, in Quebec 43, in New Brunswick 20, in Nova Scotia 12 and in Prince Edward Island 8.

Mr. McKILLOP: Has the minister any record of the number of hogs the packers take

in in the course of a year on which a premium is paid?

Mr. MOTHERWELL: Yes, we have a record. The first year it was very small; it depends on the province. We get more in the Maritime provinces as a rule, in proportion to population, than anywhere else.

Mr. McKILLOP: I think the highest number is in Ontario.

Mr. MOTHERWELL: That is right, yes, Ontario and then the Maritime provinces. In some of the provinces the tendency has been to grow fat hogs, but in all of them there has been a marked improvement in the increased number of selects. This is a business that can be developed rapidly, and it is showing considerable improvement.

Mr. SUTHERLAND: With regard to hog grading, the minister informed us a little while ago that the government graders were doing good work. But he admits that a great many of those hogs shipped direct to the stockyards are not graded at all.

Mr. MOTHERWELL: Those shipped to the stockyards are graded there; the drovers do not grade them.

Mr. SUTHERLAND: The producer does not get the benefit. Why are hogs not bought according to quality the same as beef animals? Why employ an army of graders to grade hogs for the packing companies, who should buy their hogs according to quality as they do beef animals? The minister knows very well that while he employs graders to go to the packing companies he keeps no check on the meat that passes through the packing houses. He can give no information concerning the proportion of the meat that is sold as select, but as a matter of fact it is all sold as select; they do not mark it anything else. The people of this country have to pay the price of select but they are not getting it. Why does the minister not exercise control over the packers as well as over the farmers? I do not see why we should have all these vexatious regulations governing the producer, while we give other people a free hand to do as they see fit. The minister has his officials all over Ontario just now threatening the people that unless they do so and so the law will be enforced. Egg grading, for instance, has to be carried out throughout the country; with what result? Eggs are sold as seconds just as the farmer sells his hogs, not as selects but for a lower grade, where they are not taken to the packing company. And this thing will result in a lower price paid for the eggs although a higher price will be charged the consumer. If there is one commodity in regard to which there is no necessity for all this process of grading by government officials it is eggs. Eggs are either good or bad; and as to size, you might sell them by weight if you cared to. At all events, I do not see why we should have an army of officials who do not encourage but rather discourage people who would like to do something. The whole fact is that we have too many restrictions. Here are two items in connection with which we are asked to vote upwards of $2,000,000. and the minister admits that a great deal of what is being done is practically useless.

Mr. MOTHERWELL: I do not admit that.

Mr. SUTHERLAND: Well, then, what about the farms which the minister admits should be eliminated? Is that not an admission that they are useless? With regard to the graders, the minister knows very well that if there is anything that requires attention on the part of the officials of his department it is the food sold to the consumer. But nothing is done in that direction.

Mr. MOTHERWELL: But that would only take more inspectors.

Mr. SUTHERLAND: Would it not be better to put the inspectors where they would do valuable work? The packing companies are anxious to have the graders do for them what they should have done for themselves years ago. There is no reason why they should not pay for the hogs they get on the basis of quality, just as they pay for beef animals. Why does the minister not employ graders to grade beef animals as well as hogs?

Mr. MOTHERWELL: You have to start somewhere, and the proposition was worked out by the various provincial ministers, as well as the Swine Breeders' Association and the federal Department of Agriculture in the fall of 1921 before I came to Ottawa, as my hon. friend (Mr. Tolmie) knows. We took over the plant and we are doing our best to give it a chance; and I believe it will go, if we have not too many people in the country roaring against it. My hon. friend asks why we do not follow it up with grading bacon. Well, it takes all our time to get the graders to grade the hogs. We have had one of the best experts we could secure engaged in studying the question of bacon requirements, and he has gone to the Old Country in this connection. This gentleman came back and we discussed the subject with him on his return. The Dominion government was asked by Great Britain to appoint two representatives

on the Imperial Marketing committee, and this man we recommended as one. He is over there now and will complete his investigation in due course. But if we employ more graders, the first complaint will be registered by the hon. member for South Oxford (Mr. Sutherland) that we are stacking up another bunch of inspectors. You cannot have it both ways, Mr. Chairman. If new duties are to be imposed upon my department I must have additional men. We are going along in the direction my hon. friend indicates as rapidly as we can get the men and the money.

Mr. SUTHERLAND: Is the committee to infer from the minister's remarks that he proposes to appoint graders to grade beef animals too?

Mr. MOTHERWELL: No. There is no demand for that.

Mr. SUTHERLAND: There certainly has not been a demand for the egg graders. I can assure the minister that there are very pronounced protests against these obnoxious restrictions.

Mr. MOTHERWELL: For anybody who wants to make political capital out of it. There is a complete system of egg grading in Prince Edward Island and the other Maritime provinces, also in the three prairie provinces. The only place where we have had to do any stimulating to get the system adopted is in the province my hon. friend comes from, and I do not know whether his agitation has retarded its adoption or not.

Mr. SUTHERLAND: Yes, Mr. Chairman, this is the province where the people have to work for a living. The minister informed us how the westerner could produce beef cattle successfully by going around the hotels in white pants and starched collars. We cannot produce beef in Ontario that way.

Mr. MOTHERWELL: I did not recommend that system anywhere.

Mr. SUTHERLAND: That may be the case in western Canada; in Ontario the minister may impose all the restrictions he likes, but he cannot force the people to produce this stuff if they do not wish to do so.

Mr. MOTHERWELL: I am not trying to.

Mr. SUTHERLAND: I believe by his regulations the minister is driving people out of the business by hundreds. The minister has done most of the talking on this very large item to-night, and he has talked around it and succeeded in confusing the committee so that we really do not know what he meant after he got through. I should like some information about the Seasonal Hints which have been published by the experimental farm. As the minister knows, in Ontario you are confronted by these pamphlets in every bank and post office, there is a stack of them on the desks and you are invited to take one and to apply at the nearest experimental farm for information. Well, if we have to go to Nova Scotia or New Brunswick for information it does not do us much good in Ontario. How much is being spent on this publication? There is another feature worth considering. The people in the Old Land, for instance, are anxious to obtain information about Canada, and they naturally look to the government publications for this information. But in the reports of the experimental farms Ontario is scarcely mentioned. They are growing tobacco down in western Ontario, and frozen oats and hay and some other stuff up along the Transcontinental railway in the northern part of the province. But so far as the rest of Ontario is concerned, which presents the very best opportunities for people who are coming out to engage in farming and to learn farming—we have coached tens of thousands of young fellows, and then they hike to the west where they can get cheap land and become farmers for themselves—so far as the rest of Ontario is concerned, I say, the province is discriminated against, because intending immigrants from the Old Country do not find anything about Ontario in these government publications. This item of $2,600,000 is of some consideration in these times, and I think it deserves a little more serious attention than the minister has been inclined to devote to it to-night. It is a popular thing to increase these votes just before an election, but surely the minister does not want the impression to go abroad that the experimental farms are not doing the work that the people expect they are doing.

Mr. MOTHERWELL: I am trying to improve them.

Mr. SUTHERLAND: I should like to know the cost of these Seasonal Hints.

Mr. MOTHERWELL: My hon. friend spoke about publications.

Mr. SUTHERLAND: Yes, the publications I referred to are the reports of the experimental farms, which reports are not available to the prospective immigrant. The shipping agents in the Old Country naturally get all the information they can about Canada, but this information so far as Ontario is concerned is practically a blank; they see abundance of

it with regard to farms located in all the other provinces. This is the penalty Ontario pays for having borne the cost of this experimental work herself. The same discrimination against Ontario prevails in the Immigration department. The provincial government for years has had to do this work and pay for it, while the federal government has been doing it for all the other provinces. This is absolutely unfair. The minister exclaims, "Why, if these things are not done for the other provinces they will likely do them themselves." But why penalize them for bearing the expense? Why should Ontario suffer by reason of the fact that the federal government does little or nothing for experimental work in the province, and fails to furnish the prospective immigrant with the information he is seeking about farming opportunities in Ontario. These Seasonal Hints which are sent all over Ontario are really an insult to the people. What do they cost?

Mr. MOTHERWELL: About $5,000.

Mr. McKILLOP: A little earlier this evening the minister remarked that Essex and Kent were great tobacco-producing counties. I would ask him not to forget to add the county of Elgin the next time he is talking about tobacco production in Ontario. During the past few years the county of Elgin has had from 700 to 1,000 acres under tobacco, and we expect this coming season the area will be increased to about 1,500 acres. The county produces very good tobacco. With respect to the regulations governing the premium on bacon hogs, is it not about time the minister made a change so that the producer may receive the benefit?

Mr. MOTHERWELL: We changed them a few months ago. Only two grades are graded by the graders now, "thick-smooth" and "select." As to the other grades, the buyer and the seller do their own negotiating, and if they disagree as to the grade they call in the grader to arbitrate.

Mr. McKILLOP: The local shipper you are referring to now?

Mr. MOTHERWELL: There is no way of reaching the local shipper. He is in the same position as the local shipper of grain. The man who sells to a local shipper on a flat rate basis cannot get the benefit of any grade. The system cannot be applied to the man who will not use his chances of co-operating with his neighbours and shipping in car lots.

[Mr. Sutherland.]

Mr. GARDINER: The minister informed the committee a few moments ago that we have 143 illustration stations. Are those stations owned by the government or is the land rented?

Mr. MOTHERWELL: The farms are owned by the farmers and operated by them under the advice and supervision of a member of the experimental farm staff.

Mr. GARDINER: What is the average cost of these illustration farms?

Mr. MOTHERWELL: About $300.

Mr. GARDINER: I have been studying this question of experimental farms and I have come to the conclusion that the work in that connection is not giving the benefit to the people that it should, simply because it is impossible to get to the farmers the information that can be derived from that work. I suggest that the illustration station is far more valuable than some of the present experimental farms and that it would well repay this country if we put more money into the illustration stations and less into the experimental farm work. I have had the pleasure on more than one occasion of observing the work of these illustration stations. They are usually very close to a small town or village, on highways that are much used by the farmers, and as the farmers go to market or to town, as the case may be, they pass these illustration stations and see what is being done. Personally I believe that the results would be more beneficial if the illustration station plan was extended and the experimental farm work reduced.

Mr. MOTHERWELL: Thank you.

Mr. STANSELL: Most of the information I intended to ask for has been given in answer to the hon. member (Mr. Gardiner). Like him, I have been of the opinion that good results could be accomplished by increasing the work of the illustration farms, and that without greatly burdening the taxpayer. What I wanted to know was about the average cost. Am I correct in inferring that the average size is about fifty acres?

Mr. MOTHERWELL: Forty.

Mr. SENN: A year or two ago the federal department entered into some kind of arrangement with regard to the importation of sheep, and I think that policy was carried out last year. Is it the intention to continue it?

Mr. MOTHERWELL: I think last year was the first year we adopted that policy. A few Rambouillets have been brought in from the United States by the Sheep Breeders' As-

sociation, with some assistance and supervision by members of the Department of Agriculture, who assisted in making the selections. All the other breeds we have been handling are prohibited entry under the embargo on account of the foot and mouth disease.

Mr. SUTHERLAND: Two years ago the minister intimated that the department intended to import pure bred animals and to use the central farms as distributing centres to supply the surrounding districts. Many complaints have been made as to the unfairness of the government's entering into competition with people engaged in legitimate business, yet the government have been paying officials to go over to the Old Land, buy stock there, bring it out here and sell it in competition with breeders of live stock in this country. Does he consider that that is a proper policy for the government to pursue?

Mr. MOTHERWELL: We endeavour to carry only such stock as the capacity of each farm will permit. We have practically no complaints of the character my hon. friend has mentioned; in fact, our activities develop such a demand throughout the country for pure bred stock and better stock that the result has been to increase rather than to lessen the sales to private breeders. The same question came up some years ago in connection with the distribution of trees by the Forestry department. It was urged that the private nurseries would be injured, but the reverse actually happened; the business of the nurseries was increased very considerably.

Mr. SUTHERLAND: I have received a letter from Nova Scotia to-day complaining about this very matter and pointing out the unfairness of the government's entering into this business in competition with those in this country who have invested their money in it and have been endeavouring to carry on. I do not think this is a matter that comes within the province of the federal government. The government have enough to do to look after things that are absolutely necessary, and they should not venture into such new fields as the Department of Agriculture have been entering upon. Many vexatious restrictions have been put into force by that department during the last few years, but I believe this establishing of breeding depots at these farms is about the worst. The minister says they are carrying on this work just to the capacity of the farms. Well, what is the capacity of the farms? If you import stock and keep it there a week, two weeks or a month—

Mr. MOTHERWELL: We do not do that at all.

Mr. SUTHERLAND: The minister informed the House two years ago that that was what he proposed to do, and I believe a good deal of it has been done in the Maritime provinces as well as in other parts of the country. The minister intimated that was his policy.

Mr. MOTHERWELL: My hon. friend has got the two problems mixed. These importations of sheep are made by the provinces, and we place them. We rarely import even breeding animals for the use of the farms, but occasionally we do import hogs and sheep. But we do not bring them here and then retail them to the farmers. We import only what we require for the various farms, and then we breed from them on our own farms. My hon. friend thinks we are doing a retail business in them, importing them and retailing them, but that is not the situation at all. We have not done that in one single instance.

Mr. SUTHERLAND: I am afraid I shall have to send for Hansard and read the minister's policy on this matter given a few years ago. I protested against it at the time, and I know complaints have kept on coming in. I received one to-day from Nova Scotia complaining of what the government were doing, and of the inferior class of animals that were being sold to them.

Mr. CHURCH: What is the minister going to do with regard to assisting the Royal Agricultural Winter Fair? The city of Toronto has spent $2,000,000 on this fair, and it gets only a small grant towards the prize list from the government. The minister made a fine speech in Toronto, much better I think than he makes here, and promised the pioneers in that work some assistance. The city has spent $40,000,000 on the summer fair, very largely for the benefit of the agricultural industry, and then it comes along and spends $2,000,000 for the Royal Agricultural Fair for the development of the live stock industry of this country. An application has been made to the government for practical assistance, and I would like to know what the government is going to do. It is not a municipal matter at all, but a federal and provincial matter, because live stock is under the jurisdiction of both legislatures. The show is larger than the New York and Chicago shows. The minister himself said

that it was the largest show on the continent when he spoke in Toronto at the opening of the fair. He has received a memorandum asking for assistance, and I would like to know what he is prepared to do. The association is composed practically of farmers; I do not think the city of Toronto has a single representative on the board, although the city has supplied all the money for the fair, which is far larger than Madison Square Garden. The city should not be left alone to carry the burden, because the fair is doing an educational work that is for the benefit of the live stock industry all over the country, and it is being done now at great cost to the taxpayers of the city of Toronto.

Mr. MOTHERWELL: The annual grant to the Royal Agricultural Winter Fair, not of Toronto, but of Canada, is $25,000 a year, extending over ten years. They have requested additional assistance, and that is under consideration. That is as far as I can go.

Mr. SUTHERLAND: I notice an item in the Auditor General's report of $18,476 for free freight policy, which is included in this item we are discussing. There is another policy of car lot policy, for which there was an expenditure of $8,768. How does this apply? How is it that some provinces can avail themselves of this free freight policy and others not?

Mr. MOTHERWELL: That policy was adopted in order to encourage the shipping of breeding animals back into the country. Take the case of one of our stock yards where there is a lot of breeding stock that should be kept on the farm. The farmer being hard up has shipped this stock into market; he may have been short of feed or of cash, or both. In order to encourage the return of that stock to the interior, which it should never have left, the government some six or eight years ago adopted this policy of assisting the farmer in buying this breeding stock at the respective stock yards and shipping it back to the interior. We have continued that policy up to this year. We have recently had a conference between the deputy minister and the live stock commissioner, and as a result, whether for good or evil, we are discontinuing the policy. A considerable amount of abuse has crept in under it. I am not criticizing the policy; I think it was all right when it was inaugurated, but certain abuses have crept in that render its discontinuance advisable.

Mr. THURSTON: This policy was to assist in shipping back young cattle from the west that had been sold on our eastern markets?

Mr. MOTHERWELL: Yes.

Mr. SUTHERLAND: Did it not apply to the shipping of feed cattle as well as breeding stock? The shipper from western Canada to Toronto could have these animals sent back at half carload rates, but in Ontario we have not any of these privileges. I am speaking of feeders for commercial purposes.

Mr. MOTHERWELL: I think my hon. friend refers to the first item, the free freight policy with respect to breeding stock. This other is with respect to steers. Assistance was given by the federal government for a number of years. We pay the transportation expenses of the purchaser and his hotel expenses, and the transportation companies knock off 25 per cent from the cost of transporting the animals. That was arranged with the railways just about the same time, some five or six years ago, and I understand that that is being eliminated also.

Mr. SUTHERLAND: What I was particularly inquiring about was the policy of getting a half rate on cattle for feeding purposes. The western shipper into Ontario can get that rate, but the Ontario buyer cannot get it. Now is that fair?

Mr. MOTHERWELL: I understand that policy was extended to Ontario. I know the Ontario buyer got sufficient inducement to come out west to the feeder shows, in the way of cheaper freight rates and assistance all round both from the government and the railways, although I have not the exact details, to encourage him to come out there and get animals for feeding purposes at a good figure and bring them back east. As far as the future is concerned, I understand that we are eliminating both that system and the free freight policy with respect to breeding stock.

12 m.

Mr. FORKE: I thought the minister was wrong, but if he is right I must be mistaken. The way he explained the matter was that if western cattle were shipped to Ontario there would be a reduction in the cost of transportation back to the west.

Mr. MOTHERWELL: No.

Mr. FORKE: That is what the hon. member for South Oxford (Mr. Sutherland) stated.

Mr. MOTHERWELL: No.

Mr. FORKE: He talked about shipping them back to the west.

Sir HENRY DRAYTON: I think that was only to Winnipeg.

Mr. FORKE: What goes to Winnipeg can be shipped to the prairies.

Mr. MOTHERWELL: Yes, I did not think it extended any further than Winnipeg.

Mr. SUTHERLAND: I must protest against the impression which the minister's explanation leaves on members of the House. That does apply to Ontario. The shipper from the west can ship his stock to Ontario, he can sell it there and consign it out again at half rate. If it is consigned to a dealer in Toronto and sold there, and the purchaser purchases it in Toronto, he has to pay full car rates if he sends it outside. I know payment is evaded in many instances, but it is not honestly done, and should not be permitted, because many people send their cattle to Toronto, and in some instances, through the connivance of the commission men, can get the special rate. Why should this rate not apply to people all over the country?

Mr. THURSTON: The minister stated a few minutes ago that the purchaser's hotel fare was paid. Was that the Ontario purchaser who went to our city markets and purchased young western cattle?

Mr. MOTHERWELL: In the local market. I do not know why they make a difference, but it only applies to stockyards, Winnipeg and the west; but an eastern man could go to the stockyards at Winnipeg and the west and get these advantages and ship stuff down here. I do not know why it was not extended to the eastern stockyards at Toronto. I did not work out the policy, but it was in force when we started to administer this work, and certain abuses have crept in, with the result that we are dropping all these things.

Mr. THURSTON: The hon. member for South Oxford (Mr. Sutherland) left the inference from his remarks that the purchaser from Ontario did not benefit by this reduced fare.

Mr. MOTHERWELL: He is wrong.

Mr. THURSTON: I have been on the market considerable myself, and I know it was the practice of Ontario buyers to go in and buy western stock or cattle and have them shipped out to their homes without any freight charge, but the Ontario purchaser did get the benefit of it.

Mr. SUTHERLAND: I referred to a case where the westerner sold his cattle at Toronto market, as has been done in many instances, but some of the dealers arranged to have those cattle shipped out, even though they were not consigned by the party who shipped them there at all. Another farmer comes in and buys a mixed load from two dealers, and does not get that advantage. It is an unfair thing and the regulations are being evaded. In many instances people get that rate, but they do not get it honestly. If the western shipper consigns his stuff right through to the dealer and it is purchased direct on the market from that dealer, he gets the benefit. But if it is purchased with a mixed load he does not get any benefit at all.

Mr. THURSTON: I beg pardon. It was the practice for two or three falls that when western cattle consigned to commission men in Toronto market sold again as stocker cattle out through the country there was no freight charge from Toronto to the distributing point. It had to be western cattle. It did not matter whether you bought them out of half a dozen loads, as long as they were all western cattle. It was not necessary that they should all be purchased out of the one car

Mr. SUTHERLAND: I think the hon. member is in error, and if we had a little more time I believe we would be able to convince our western friends that they have many privileges that we in the east do not have, even in regard to the Hudson Bay railway which the country will have to build for them. In the province of Ontario we have offered to build a line through to Hudson bay, and we are going to do it ourselves. I think the minister might move that the committee rise.

Mr. MOTHERWELL: That is what the member has been playing for all night.

Sir HENRY DRAYTON: I do not think that remark is justified. The minister should be fair sometimes. He has done more talking than anybody else. The hon. member for South Oxford (Mr. Sutherland) has only been talking for the last half hour, and the minister has made long and probably excellent speeches.

Mr. MOTHERWELL: I have to, I cannot get out of it.

Sir HENRY DRAYTON: I am not complaining, but it is not fair for the minister to charge the hon. member with killing time and holding this vote back till twelve. He certainly has not. I do not know what the understanding as to adjournment is. I thought the idea was to sit till eleven, unless we were given some notification to the contrary. It

is after twelve o'clock now, and I have no doubt the minister will move the adjournment.

Mr. MOTHERWELL: We would like to have the item passed. We have referred to the live stock this evening and reverted to a former vote, and discussed experimental farms until I think we have covered the ground better than we have ever done on any previous occasion. We have to judge our hon. friend from South Oxford by his conduct of former years. He may not have wanted to prevent the item going through to-night, but we know his attitude generally.

Mr. SUTHERLAND: I do not want the minister to impute wrong motives. I think I have been reasonable in my request for information, and if the minister had been more frank with the committee it would have been better for the committee and for himself. He has certainly given information on two or three different questions on different occasions, and taken up a good deal of time in doing so, when he might very well have given a direct answer. He has informed the committee that there are a large number of these things they propose cutting out, even the last item to which I have referred in regard to the assistance in freight rates. Why is the minister asking for as large an item as he asked for a year ago in regard to live stock; and an increase of $40,000 in the item for experimental farms, when he admits that a great deal of pruning might be done and much money saved in that respect? Surely some information should be given in regard to that.

Mr. MOTHERWELL: The work in other lines is increasing and requiring more money. We dropped off the work which had been developed to the point where its usefulness ceased or its purpose was accomplished, but other activities required more money.

Mr. SUTHERLAND: What new activities are being undertaken in connection with this?

Mr. MOTHERWELL: Experimental farms. I gave that information.

The CHAIRMAN: That information has already been given to the committee, and the minister does not require to give it again.

Mr. SUTHERLAND: I object to any blocking of any reasonable information. I asked for information in regard to live stock and it has not been given.

The CHAIRMAN: The information asked for by the hon. member was given and the minister does not require to give it seriatim the second time. As it has already been given to the committee, to give it again would mean irrelevancy and the debate continuing over the same ground the second time.

Mr. SUTHERLAND: I must insist that to my knowledge the information for which I have asked has not been given, that is with regard to new activities in connection with the item under live stock.

Mr. THURSTON: The minister mentioned that it was the intention of the department to cease giving this assistance on freight to stock or cattle in Ontario. I differ slightly from the hon. member for South Oxford (Mr. Sutherland) in saying that this assistance is given only to western farmers. It was taken advantageously by the farmers of Ontario, and I think they appreciated it fully as much as the western people because it afforded them an opportunity to get good stock and receive some assistance in connection with it. I am satisfied that the Department of Agriculture is carrying on a good many side lines that might much more easily be cut out than such a direct assistance to agriculture as this is, and I think it is something that should be continued.

Mr. MOTHERWELL: Has my hon. friend reference more to the feeder shows that I think he is familiar with?

Mr. THURSTON: No.

Mr. MOTHERWELL: I am sorry we have decided to cut it out for the reason I have given. Many abuses were creeping in and we found we could use the money to better advantage elsewhere. We will continue though, the encouragement for eastern men to go west to these stocker or feeder shows at Winnipeg, Moose Jaw or Calgary, because we find that they like our class of feeder animals there very well and they assist the sales very materially by their activities.

Mr. THURSTON: What is the nature of the feeder shows the minister mentions?

Mr. MOTHERWELL: I read them over very fully. I want to answer the hon. member for South Oxford as to the new work we are taking over. This branch is taking over the cow testing for butter fat, not for tuberculosis. An additional amount is required for that. It was formerly conducted by the Dairy branch.

Mr. THURSTON: I did not hear the minister's explanation, but I am not going to ask him to repeat it because it was my fault possibly for not being present. As regards the feeder shows, they may be doing a certain amount of good, but the department is assisting eastern people and there will be

only a very limited number of Ontario farmers who will be able to go to these shows. At the same time the western stocker cattle must come to Ontario to be finished for the export market, so as to be in the condition we should try to put them into before they leave the country. Therefore, I feel that the department will be doing more good in assisting the distribution of stocker cattle from the central markets into eastern Canada than by assisting a few individual farmers in going to those western shows.

Mr. MOTHERWELL: There may be something in that, but there were certain abuses that I do not care to mention.

Mr. SUTHERLAND: The matter referred to by the hon. member for Victoria (Mr. Thurston) is very important in the older province. There is certainly not much advantage in shipping stockers to the Old Country when it costs just as much in ocean rates for a thin animal as for one that is finished. If these animals can be finished in this country, so much the better for the country. That is the point that should be encouraged. The hon. member for Victoria must have shipped the feeders to which he has been referring through the farmers co-operative.

Mr. THURSTON: Not all of them.

Mr. SUTHERLAND: I know they have been able by some means to ship those cattle out where others did not obtain the same rates which they did. I am not saying this in any way disparagingly of the practice, because I know of instances where stock has been shipped out by commission agents as these people really are. I know in many other instances they have not been able to avail themselves of this assistance. The department might very well encourage the giving of cheap rates on feeder cattle so as to have them sent back and finished on the farms. I do not know of any expenditure which could be made with better results.

Mr. McBRIDE: Does the hon. member think he is entitled to rates from the prairies to Ontario when we do not get them to British Columbia?

Mr. SUTHERLAND: I am not speaking about any particular province. I am speaking about a general practice over this Dominion, not confined to any province as it is to-day.

Item agreed to.

Progress reported.

On motion of Mr. Lapointe the House adjourned at 12.20 a.m. (Friday).

Friday, March 6, 1925

The House met at three o'clock.

ROYAL CANADIAN MOUNTED POLICE—PENSIONS

Hon. ERNEST LAPOINTE (Minister of Justice) moved, that the House go into committee at the next sitting to consider the following proposed resolution:

That it is expedient to amend the Royal Canadian Mounted Police Act by providing that pensions to officers, their widows, and constables, granted prior to the seventh day of July, one thousand nine hundred and nineteen, may be readjusted in accordance with the rates of pay for officers and constables provided by the said Act as amended prior to and on the seventh day of July, one thousand nine hundred and nineteen, but no such readjustment shall authorize the increase of any payments for pensions that accrued before the passing of the proposed legislation.

He said: His Excellency the Governor General, having been made acquainted with the subject matter of this resolution, recommends it to the favourable consideration of the House.

Motion agreed to.

AUDITOR GENERAL AND ACTING MINISTER OF FINANCE

On the Orders of the Day:

Hon. Sir HENRY DRAYTON (West York): I notice from the newspapers that there seems to be some little altercation in connection with some of the activities of the Auditor General and that he has made a reply which has not been made public. I wonder if the Acting Minister of Finance would table the reply of the Auditor General?

Hon. J. A. ROBB (Acting Minister of Finance): As the Auditor General is the servant of parliament, I have no objection to tabling a copy of the letter that I addressed to him and a copy of his reply.

DISABLEMENT FUND

On the Orders of the Day:

Hon. R. J. MANION (Fort William and Rainy River): Would the Minister of Soldiers' Civil Re-establishment be good enough to table the trust deed, or charter, or whatever it was, dealing with the trust fund that we were discussing yesterday, so that we might have an opportunity of studying it while we are waiting for his estimates to come up again?

Hon. H. S. BELAND (Minister of Soldiers' Civil Re-establishment): It was my intention to proceed with the resolution to-day, but Mr. Scammell is going to Montreal to

attend a meeting in connection with the Last Post fund, and he intimated that he would not have time to prepare a complete memorandum on the subject. As soon as the memorandum is ready, I shall move the House into committee on the resolution.

Mr. MANION: Might I suggest to the minister that it would be more convenient if we could have, not necessarily the memorandum, but the trust deed itself, or at least a copy of it, tabled, so that we might see it in advance. Because of absence of documents we often argue in this House on questions that we have not had time to consider properly. Perhaps the minister could lay this trust deed on the table a couple of days in advance.

Mr. BELAND: I would be glad to do that, but I am informed by Mr. Scammell that there is no deed of trust.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): No man is giving $100,000 without saying what it is for. Undoubtedly, there may be no deed of trust in the ordinary sense, but there will be something from the man who gave the money stating what the money is to be used for. There is no excuse for that not being ready now. Something of that kind must be in existence.

Mr. BELAND: Why should my right hon. friend not accept my word conveying to him the information I received from Mr. Scammell? Mr. Scammell says that there is no such thing as a deed of trust; that after consultation with the principal donator, he was left entirely at liberty to dispose of the fund as he judged best in the interest of the returned men. That is the information I have. But I asked Mr. Scammell to prepare a full memorandum on this subject for me to present to the House, and until I have that, I do not wish to discuss the question any further.

Mr. MEIGHEN: I do not want to be in a position of leaving the minister free to state that I disputed the fact that there was any deed of trust. I did not. I did not anticipate there would be a deed of trust in the form suggested. What I did anticipate, and what I cannot help thinking must be the fact, is that there is something in the nature of a letter or other written document or correspondence which sets out the purpose.

Mr. ARTHURS: Which was quoted in the order in council.

[Mr. Beland.]

Mr. BELAND: I beg pardon, I never quoted that.

Mr. ARTHURS: There is a quotation in the order in council reciting the deed of gift.

Mr. BELAND: I submit there is no such quotation.

Mr. ARTHURS: When will the memorandum be ready?

Mr. BELAND: It is for Mr. Scammell to say. I think it will be ready in a few days, if it is not ready to-day.

QUESTIONS ON ORDERS OF THE DAY UNANSWERED

CORRESPONDENCE ON OCEAN SHIPPING RATES

On the Orders of the Day:

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): I asked the government to procure copies of correspondence passing between the government of Canada or the Department of External Affairs, or of Trade and Commerce, and the government of Great Britain, or the Imperial Shipping Committee, with relation to ocean transport. I have had no response to the request as yet. When may I expect it?

Hon. ERNEST LAPOINTE (Minister of Justice): The Prime Minister (Mr. Mackenzie King) is absent, and when he returns I will bring the matter to his attention.

Mr. MEIGHEN: Will any of the matters that are still standing owing to the absence of ministers be answered—

Mr. LAPOINTE: My hon. friend cannot complain of the Prime Minister being absent. It is about the first day he has been absent.

Mr. MEIGHEN: I was not referring particularly to him. I can recall half a dozen matters that have been spoken to on the Orders of the Day as respects which the leader of the House at the time stated that the minister particularly concerned would be consulted and a report made to the House; but we have never had a report on one of them yet.

Mr. LAPOINTE: I am sorry my hon. friend is complaining, because we are receiving commendations from all over the country on the progress made this session.

Mr. MEIGHEN: Will the hon. gentleman bring down the commendation?

Sir HENRY DRAYTON: That would be an easy job.

SOLDIER SETTLEMENT—REGULATIONS

On the Orders of the Day:

Mr. ALFRED SPEAKMAN (Red Deer): Two or three days ago I asked a question relative to the position of soldier settlement under the act, and I was requested to repeat the question when the Minister of Immigration was in his seat. I asked the question:

Is it the intention of the government to introduce legislation during this session providing for reduction of indebtedness on the part of returned men who have taken land under the provisions of the Land Settlement Act?

Hon. J. A. ROBB (Minister of Immigration and Colonization): There was a report of the committee last session.

Mr. SPEAKMAN: Yes.

Mr. ROBB: The government is looking carefully into that. I may say that there is a possibility of bringing in some measure, or of instructing the officers to make some recommendation, but it is a mistaken idea to believe that the land was all over-valued. Since I have had charge of that department I have observed from time to time the prices at which land was sold. Perhaps a man's wife would take sick, or he might take sick himself, or for some other reason he would give up farming, and the farm would be sold, and I think I am safe in saying that in the majority of cases these farms have sold at a higher price than was paid for them. But I will admit that there are some limited districts where apparently the valuation at the time the land was bought was not as carefully made as it might have been. There is an admission that the stock, and possibly the implements, were bought at the time when prices were at the peak, and that will be carefully considered and something done.

Mr. SPEAKMAN: That is why I put my question in general terms, so as to include the loans made for stock and other purposes.

CANADA GRAIN ACT

On the Orders of the Day:

Hon. T. A. CRERAR (Marquette): Can the government give any information as to when the revised Grain Act will be brought down?

Hon. J. A. ROBB (Acting Minister of Finance): I think the Minister of Trade and Commerce has the chairman of the grain commission working on that now. I will direct his attention to my hon. friend's question.

SUPPLY

PUBLIC WORKS

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

Public works, salaries, $689,655.

Mr. STEVENS: When this item was under consideration the other day a discussion arose which I think was of very much greater importance than, perhaps, the majority of the members of the House realized. It touched upon a very vital matter in connection with not only this department but several other departments. An analysis was being secured from the minister of the amounts annually paid to retired civil servants of his particular department, and there was difficulty in ascertaining out of what particular fund it was paid, or under what heading. The minister gave us a figure which was somewhat startling, that in the year 1924 $75,600 had been paid out for superannuated or retired servants of his department. I made a search through the estimates to find out how this was disposed of. This was in the Public Works department, of course, and I located it under "Superannuation," I will refer to that in a moment. The minister shows an apparent saving this year in salaries of some $18,000 or $19,000, but when we take into consideration the huge amount that is being paid out to civil servants in his department on being retired under the Calder Act and under the Superannuation Act, we find that as a matter of fact the cost of this department, in common with other departments, has actually increased by a very large sum. In other words, while there have been retirements brought about during the past few years, it seems that the places of those who have retired have been filled immediately and the full strength of the staff maintained. If hon. members will turn to page 25 of the Estimates they will see revealed in striking and very accurate figures the enormous extent to which this annual retirement allowance has grown. Under "Superannuation" there is an item entitled "Statutory" which reads as follows:

Civil Service Superannuation and Retirement Act, R.S. Chap. 17..	$ 730,000
Public Service Retirement Act..	775,000
	$1,505,000

I wish to bring to the attention of the committee that since a year ago this expenditure has been increased by $355,000. There has been a saving of $55,000 under the other heading, leaving a net increase of $300,000 in one year. Under this, of course, come the retirements from the various departments. Before I deal with that subject, however, let me point to a still more striking fact. In 1921-22 the

figure was $760,000; to-day it is $1,505,000. In other words, in the space of three years the expenditure under superannuation has increased by $745,000. That we may appreciate the significance of this, let me take a couple of departments, the cost of which is very largely in the employment of help—wages. The Customs department, for instance, over the same period, has increased in cost $3,272,000; the Post Office Department, $1,710,000.

Mr. PUTNAM: Do those figures cover both salary and superannuation?

Mr. STEVENS: I am speaking of the cost of running the departments. I have cited these two departments as illustrations and to emphasize the necessity of the government being brought as early as possible to a realization of where we are drifting with these expenditures. While we are told from time to time that there is a reduction in the estimates—$19,000 in this case—yet we find in the Public Works department there is an increase in superannuation of some $75,000 for last year, showing that as a matter of fact the cost of carrying on the department has really increased by about $55,000 or $60,000. And this in face of the declaration of the government that they are economizing, that the cost of operation is actually being reduced.

Now, take the minister's own department. It is not my desire to offer any very sharp criticism of his staff, but I do say to him that certainly the Public Works department is not increasing its activities, consequently there is no need for an increase of staff, and I think we could afford—shall I say?—to carry on with a smaller staff. I am not asking the minister to discharge a lot of his employees, but I do suggest that when he retires a man or woman, as the case may be, he should not fill the vacancy until it is absolutely necessary. In other words, he should not pass a civil servant over to the superannuation fund under the Finance department estimates and then immediately appoint another person to the position thus created. It will be noted that the number of employees has been reduced by only four during the past year. This condition permeates the whole service and increases the cost of carrying on the affairs of the country, so that unless we do something in the nature of definite retrenchment I do not know where we are going to drift. A few days ago the hon. member for St. Lawrence-St. George (Mr. Marler) in the course of a speech divided the national expenditures into what he called controllable and uncontrollable. Here is undoubtedly controllable expenditure. We are not now in the realm of statutory expenditure such as the public debt interest, we are in the realm of controllable expenditure, and under that head, notwithstanding that there is a contraction of demand upon the department for service with a diminishing expenditure on public works, the cost of running the department is kept up to this very high level, with the result that the so-called economy is wiped out two or three times over by simply adding to the superannuation estimates for all of the departments $745,000 during the last two or three years.

Mr. ROBINSON: Are not the retirements fixed by statute?

Mr. STEVENS: Certainly, the superannuation is paid out under statute. When I speak of controllable expenditure I refer to this vote of $614,000 now under consideration. In order to clear up any misapprehension, I am pointing out that this is the class of expenditure which we must expect to cut down if we are going to effect any economies, and again I say to the minister, I am not arguing for wholesale dismissals, but I do submit that when the minister retires—as he did last year—186 employees, it is not necessary to fill all the vacancies.

Mr. MARTELL: How do the vacancies filled compare with the retirements?

Mr. STEVENS: The minister could not give us that information yesterday.

Hon. J. H. KING (Kootenay, Minister of Public Works): Pardon me, I gave information as to retirements and the positions refilled under Civil Government.

Mr. STEVENS: I am not blaming the minister, as he would have found if he had waited a moment. He could not tell us because the 186 include not only those in the inside service in Ottawa but others scattered throughout the country. I was going to add this information. On the inside service there is a reduction of 4: last year there were 320; this year there are 316. But there were 186 retirements. The minister could not tell the committee yesterday how many of these were outside and how many inside.

Mr. KING (Kootenay): Yes, I told you that.

Mr. STEVENS: Will the minister tell me now? I do not want to misrepresent him; the thing is bad enough if one tells the bald truth.

Mr. KING (Kootenay): There were 12 retirements from the inside service.

Mr. STEVENS: There were 12 retirements and 8 new appointments in the inside service

at Ottawa. There were 174 retirements from the outside service. But let me emphasize this for a moment. In all the departments, from day to day and from week to week there are retirements, and there are those, perhaps, who give up their positions. On the other hand there are demands for additional clerical help. It may be on account of a rush of work in the Interior department; it may be a need for extra help for a week or two in some other department. But, instead of drawing upon some department that has a surplus of idle clerical help, appeal is made to the Civil Service Commission and the necessary extra assistance is obtained by additional appointments.

Mr. MARTELL: I quite agree that when extra help is required the departments are too prone to call in new recruits. That was my own experience when I was in the civil service. But as things stand to-day, can the minister obtain a transfer of employees from one department to another without proceeding through the Civil Service Commission?

Mr. STEVENS: I speak subject to correction, but I am sure there is nothing in the Civil Service Act or in any other act to prevent the minister of any department from borrowing clerical help from some other section of the service. Of course I am referring to the inside service, at Ottawa.

Mr. MARTELL: How long has that been the rule? I know that right up to 1914 it could not be done; it all had to go through the Civil Service Commission, upon requisition duly made.

Mr. STEVENS: I cannot go back before 1914 or thereabouts, but I know it was practised in many instances during the war. But if it is not the case let us make it the case as quickly as possible. I am satisfied that it is the case; that the pathway is open; that all it requires is that the departments exercise their authority. Now, what are the interfering influences that are preventing the government from doing this? There are perhaps two or three. There is the desire to give an opportunity to those on the long waiting list to get into the civil service. But there is an influence much more sinister than that, and it is this: under our present system of handling the civil service, we—and when I say "we" I mean the country by its policy; parliament, if you like, by the act; the government by its administration—encourage the head of a branch, by the very nature of our laws, to build that branch up to as large a personnel as he can. I will give the minister an instance in his own department that I happen to know of. I am not going to give the names of individuals; I do not want to bring the name of a civil servant in here with the idea of exposing him to ridicule unless he deserves it in a very striking sense; but there were two gentlemen in his department some years ago, both doing the same work, both having about the same amount of service to render. One of them succeeded in getting four assistants, while the other was carrying on the work by himself, and the man with four assistants was getting $1,500 a year, I think, more than the other. When this discrepancy was called to the attention of the authorities—the civil service adjustment board, I think it was—the reply was: "Oh, this man has four assistants, therefore he is entitled to a higher salary than the other man"—although the other man was doing the work without any assistants. Now, that is what is followed all through the service. I know there are many civil servants who are doing their best for the country, working overtime and never saying a word, economizing and keeping their branches well in hand—men of high efficiency. These are militated against by others who are reckless of public economy and who seek to build their branches up to the highest magnitude possible in order that they may bolster up their own importance and incidentally increase their own salaries. That is the crux of the whole business.

Mr. PUTNAM: Was the man with four assistants literally doing work no more difficult than the man without any?

Mr. STEVENS: He did his work infinitely less efficiently.

Mr. PUTNAM: I mean, was his work of the same volume?

Mr. STEVENS: The volume was the same.

Mr. PUTNAM: The responsibility, and all that?

Mr. STEVENS: Yes. This practice, this habit—because that is what it is—into which we have allowed certain branches of the civil service to drift has cost this country literally millions of dollars, and we are not getting an equivalent service for the expenditure. Further, and worse still and more unjust, perhaps fifty per cent of the civil servants are faithful, loyal, hardworking and efficient, and they, to use a colloquial expression, "get it in the neck"—that is not parliamentary, but it really fits the case.

Mr. HAMMELL: What about the other fifty per cent?

Mr. STEVENS: Well, what about them?

Mr. HAMMELL: Are they inefficient?

Mr. STEVENS: I have been trying to tell my hon. friend, if his mind had been open to penetration, that not only are they inefficient but they are taking unfairly from this country literally millions of dollars, That is what I say. If my hon. friend, who smiles at that statement of mine, can give me any plainer language I will use it.

Mr. HAMMELL: It is plain enough for me. I thoroughly agree with my hon friend.

Mr. STEVENS: I do not know whether that is a compliment to my reasoning or not. Now I am exceedingly serious about this. I know the difficulty of a member standing in the House and criticizing the civil service, and I do want to make myself clear: I am personally acquainted with many civil servants—I could name them by the dozen—than whom there are no better men in Canada. But there are a lot of barnacles hanging on to this government and battening upon the rest of the service, and it is about time we got rid of them.

Mr. MARTELL: Was that always the case?

Mr. STEVENS: Certainly, to a large extent.

Mr. MARTELL: I quite agree with my hon. friend, from my own experience in the service, but the present minister is not to blame. Let us get together and I fancy we can weed out forty per cent of the civil servants and have a better service.

Mr. STEVENS: It is a thing that has grown and grown. I recall that just after the outbreak of war, in 1915, I made a similar statement, but we were plunged into war and abnormal demands were made upon various branches of the civil service, some of which were worked to the point of distraction. That was an inopportune time to step in and make any such segregation. But a few years ago, I think the first year this government were in office, the hon. Postmaster General (Mr. Murphy) told the House about some very striking saving that had been made in his department. I have the figures before me and I am going to quote them merely as an illustration—I do not want to branch off into another department, but it will serve to emphasize this very point. The Postmaster General told us the other day that he was making a direct saving; that on account of the introduction of certain machines, which I understand are very good and which I am going to examine more closely when the opportunity offers, he had got rid of a large number of employees. But here are the facts, and this is what we have to take as the test of the case: In 1921-22 the estimate of the Post Office Department was $29,533,671; this year it is $31,254,634. The supplementary estimates are not down, but the increase already shown is $1,710,963. What is the use of telling us about introduction of up-to-date machinery and that someone has been lopped off, when the figures show an increase of a couple of million dollars in that one department in a matter of three years? Then, of course, there is an increase of $745,000 in superannuation over the same period. Here are the figures for the Customs department: 1921-22, $6,782,195; this year, $10,054,504, an increase of $3,272,309. Again you have a startling and damning condemnation of the system that we are following—there is something radically wrong with it.

Now what I am trying to point out to the minister is this: Here is a practical suggestion, here is a wholly feasible suggestion, which I think ought to be taken up at once by the government, and not be put off to be considered this year or next; let us take it up now. When vacancies occur in the civil service, turn to some other branch of the service which is over-staffed and draw men from that branch to fill the vacancies. You are then not turning people out on the street. I have heard it stated here in the House, and it has often been replied to me: Oh, you are going to turn these men and their families out on the street—perhaps in the middle of winter;—it is not fair. I admit that, and I am not asking you to do it. But, I say, stop sending out these appeals for new appointees, stop asking the Civil Service Commission to make new appointments, when the help you require can be obtained from some other department. The minister may say to me: Oh, but I want such and such a clerk for such and such a purpose—and I must say that they have some of the most meaningless names possible for some of these positions; I can pick them out at random in any department. I see here for instance, principal clerks, senior clerks, assistant senior clerks, senior quality surveyors, account clerks, law clerks, audit clerks, clerk-bookkeepers, and so on. Take, for instance, an audit clerk or an account clerk or a senior clerk; any one of these ought to be able to do the work of the other. If an audit clerk cannot do an account clerk's work, he is no good; and if an account clerk cannot do an audit clerk's work, he is not fit for his duties,—and I am talking

on a subject I know a good deal about; I would not give you a fig for a clerk who was carried on my books and could not do an audit clerk's work as well as ordinary accounting work, they are both the same. Why have this multiplicity of distinctions, and then when a vacancy occurs among the account clerks, though there may be a dozen audit clerks idle, a new account clerk is brought into the service? Let us sweep aside these cobwebs of formality and dilatoriness, and attack this problem. It can be done, I venture to say that a reduction in the cost of the civil service, and in the cost of administering the affairs of this country, can be made within a year that will surprise both the government and this parliament, if we seriously attack the problem.

Mr. STEWART (Argenteuil): Does my hon. friend suggest that we are not already making transfers of employees from one department to another. That is being done every day. I am not taking any credit for it, but that is actually being done every day.

Mr. STEVENS: Then how in the name of common sense does it happen that we hear daily protestations that an effort is being made at reduction, when we find that in this department, which is the one we are speaking of now, though twelve were retired last year, only four less appear here.

Mr. KING (Kootenay): That is the inside service.

Mr. STEWART (Argenteuil): I am referring to the particular statement my hon. friend made, that no transfers are taking place, but that new individuals are being brought into the service.

Mr. STEVENS: I did not say that. My hon. friend has not caught either the spirit or the letter of my remarks. My remarks are based upon this plea, that instead of refilling positions that are vacated by individuals retiring, you should seek inside the service itself for individuals to take those positions.

Mr. STEWART (Argenteuil): We do that

Mr. STEVENS: But only in a trivial number of cases.

Mr. STEWART (Argenteuil): The Civil Service Commission have a list of all these people. For example, we send to the commission the names of individuals who are not required in the hope that they will be put into some other department where there is a vacancy. I do not wish to interrupt my hon. friend, but I wanted to point out that what he is complaining is not done is actually being practised.

Mr. STEVENS: Now the minister says that these vacancies are filled by transfers. I find that in the Post Office Department in 1924-25 there were 796 employees, and this year there are 821. I find that in the Public Works Department there is a decrease of four as compared with last year. Let us turn to some other department. We have a shrinkage of one in the Patent and Copyright office, but in the meantime retirements have occurred: I do not know how many have occurred in Ottawa; I have been trying to get that information all session; I asked the commission for it; I asked the Statistical branch for it, and I also asked one or two of the ministers when their estimates were up, but I have not been able to get the information. All this information should have been laid on the table. I have under my hand the retirements from the Public Works department, outside and inside, showing retirements as follows: in 1921, 57; 1922, 54; 1923, 54; 1924, 186; or a total of 351 retirements in four years from that one department. But now I come back to the point I made before. Although you have had 351 retirements from this one department alone, and they are costing the country $147,515 a year, the cost of running the department is going up; most certainly it is not shrinking. The minister may not have been in his seat when I said this before and I will repeat it for his benefit. In the Post Office Department there is an increase of $1,700,000, and in Customs an increase of $3,272,000, over the cost of two years ago. So where are you going to find the value of the retirements and the vacancies?

Mr. STEWART (Argenteuil): I am not finding fault with my hon. friend for his criticism of the increase in the civil service; that is his privilege. All I want to say to him is that he will find as the years go by and as Canada and the business of Canada grows, there is bound to be an increase. But I want to make it plain that the particular matter of which my hon. friend complains—that there are no transfers being made from one branch to another—is not correct, for that is being practised to-day. True, it has not been practised very long, but it is in practice at the moment in the civil service.

Mr. STEVENS: I will reiterate what I have already said, and add to it this: The very mental attitude the minister takes to my suggestion is unfortunate. The minister's

attitude is to justify everything. I tried to point out a moment ago that it was evident there was something wrong in the situation, and for heaven's sake—

Mr. STEWART (Argenteuil): For heaven's sake do not put me in the position of justifying it. I agree with my hon. friend, that it is a good thing transfers should take place rather than bringing new blood into the service, and that is taking place to-day.

Mr. STEVENS: I wish the minister had listened to all I had to say from the start, and then he would have realized my point when he did pick me up. I do not wish him to steer me off the track. I have a practical and wholly non-partisan suggestion, one that I think will be accepted by all parts of the House. I tried to point out that there has been undoubtedly a shrinkage of service in this department. I said further, that I did not ask the minister to discharge employees from his department and throw them on the street without notice; but I do say, what in the name of common sense is the use of superannuating 12 employees on the inside and 170 odd on the outside, and then refilling their positions? That is not the exercise of good economy. Let me go back to figures for the benefit of the Minister of the Interior (Mr. Stewart). As a matter of fact, this year the estimates show a shrinkage of $19,000 but there is represented in another account namely, superannuation, some $75,000. So that there is no saving at all. Further, there has been an increase in the superannuation account in three years of exactly double, $745,000. These are startling figures.

Mr. ROBINSON: Why was the number of retirements last year so much greater than the previous year?

Mr. STEVENS: I presume that was caused by the so called Calder Act which was extended, I think, a year ago for another year and expired some time during—

Mr. MURDOCK: On October 31.

Mr. STEVENS: My hon. friend (Mr. Robinson) has mentioned the Calder Act, and I say it is not necessary to retire people under that act. However it was found very convenient during the last two or three years to retire public servants. I know a member of the staff of the Minister of the Interior who was—

Mr. MARTELL: Will the hon. gentleman permit me a question?

Mr. STEVENS: Just let me finish this sentence: I know a member of the staff of the Minister of the Interior who was forced into retirement. He was one of the best civil servants that ever occupied a position in Ottawa, a most valuable man, in the prime of his life. He is out of the service now on an annuity of two or three thousand dollars although his valuable services might have been retained to the country. That is what I call gross extravagance.

Mr. STEWART (Argenteuil): Who was it?

Mr. STEVENS: I will not tell the minister now, but I will disclose his name when the estimates of the department are being considered.

Mr. MARTELL: Is it not a fact that a lot of people took advantage of the opportunity to retire under the Calder Act during the last two or three years rather than under the Superannuation Act. If they had come under the latter statute they would have had to pay back a certain amount of their salaries at the rate of 5 per cent to the government in order to enjoy the benefits of superannuation, whereas under the Calder Act they could retire without repaying anything. I am not saying whether this procedure was right or wrong; I am simply urging that as a possible explanation of the increase. I quite agree with my hon. friend (Mr. Stevens) that there are too many highfalutin titles among officials and half the time one cannot understand "who is who." It would be much better to have the positions of these officials clearly and explicitly stated—for example "audit clerk" and so on. Otherwise in many cases we will not know what we are doing when we came to deal with them. I rose simply for the purpose of making it clear that I thought the increase in retirements was due to the Calder Act.

Mr. CHAPLIN: I understand there are twelve retirements and eight new appointments. How many of these new appointees have been transferred from other services?

Mr. KING (Kootenay): Before answering my hon. friend I should like to reply to the remarks of the hon. member for Vancouver Centre (Mr. Stevens). Had he followed the explanations given last night he would not have fallen into the error he has to-day. He represented that I showed a saving of $18,000 but said that there had been retirements involving a charge of $75,000, and that any saving made had been wiped out by these retirement allowances. If he had accepted the figures that were given him last night he would see that although there were annuities amounting to $75,000 the abolition of various

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positions had resulted in a saving of some $60,751, leaving a net charge of $15,000. That is an increase if you wish to call it so. Nevertheless the department is still able to demonstrate a saving of $3,000, a fact which my hon. friend ignored. The hon. member laboured the charge that the government is making superannuations without abolishing positions. I have pointed out to him, however, that last year through the abolition of positions we brought about a saving of approximately $60,000. During the last four years there has been a saving of $207,949, and that is applicable to the Department of Public Works alone.

Mr. STEVENS: How does the minister establish the saving of $60,000 when the estimates this year are only about $19,000 below those of last year?

Mr. KING (Kootenay): I am rather surprised at my hon. friend asking that question, because in his opening remarks he indicated that superannuation was not charged to the Department of Public Works and is not shown in that department.

Mr. STEVENS: Neither is it.

Mr. KING (Kootenay): Then why ask the question if it is not charged to the Department of Public Works and would not be shown there?

Mr. STEVENS: My hon. friend was arguing that there was a saving in his department to the amount of $60,000.

Mr. KING (Kootenay): To the people of Canada. If the accounts were carried under the Department of Public Works it would show a saving to this department, but that is not the case. Last evening, without unduly extending my remarks, I tried to make the position of the public works service as clear as I could. My hon. friend has suggested that there are not many retirements in this service, there being only four apparent on this year's figures. I should like to say that a comparison of the public works service to-day with the year 1914 and the intervening years since, will show that there has been an effort on the part of the department to keep the personnel at the lowest possible minimum. I will get the details to establish this fact.

Mr. MARTELL: While the minister is looking up that information I should like to say that I do not think the minister or the government are responsible for these superannuations; it has been the policy of the country. Why not pass these general items, and let us fix a day when we might discuss the whole question of superannuation? It is perhaps true that the country has gone to extremes in this matter, and that as a result of the policy pursued persons have been retired who have been able to successfully compete with outside professional men on account of the annual allowances they receive. However, the government is not to blame for the system in vogue; it is an iniquitous system that has grown up in Canada ever since confederation. I would ask that we should not delay the passing of the vote of any particular department in discussing the superannuation system, but that a day should be fixed for considering the whole matter in all its bearings.

Mr. KING (Kootenay): My hon. friend (Mr. Stevens) has wandered into the field of the service as a whole and has discussed the votes "Civil Service Superannuation and Retirement Act, R. S. Chap. 17, $730,000" and "Public Service Retirement Act, $775,000." Under the former statute the employee contributes to the superannuation fund, and when he is superannuated he receives a payment from this fund. This law has been on the statute book for many years. In regard to the Public Service Retirement Act the present government takes no responsibility for the enactment of that measure, although we are responsible for its administration; the act was the creation of my hon. friend's government which brought it into force in 1920. It was stated definitely in the House last night by an hon. gentleman that it had been a very bad act, and that it had led to extravagance. I am not so sure about that. There is a large body of competent men in the service to-day who are doing useful work. They were not in a position to take advantage of the Superannuation Act; and when the late government undertook an investigation, one which was very unpopular, it brought about the condition of which my hon. friend complains to-day.

The classifying of the various positions, with the different titles that were given was done during his time when his government was in office. The Calder Act was introduced at that time in order to take care of men who had worked many years in the service and whom it would be necessary to retire in the curtailment that followed. So you find in each year there have been retirements in the Public Works department. Those I gave yesterday. In 1920 and 1921 there were 57; in 1922, 54; in 1923, 54 and in 1924, 186. The question has been asked: Why so many retirements this year? The answer is obvious. The Calder Act disappeared in October of last year. In my department there were many old men who, if they did not retire be-

fore the Calder Act expired, would have retired without the benefit of any superannuation, because they were old and in the poorly paid class in the department. It would, therefore, have been to their disadvantage if they had not retired in 1924. Many of them did retire. We confined the retirements to men whose retirement on account of old age or illhealth, would be of advantage to the service and to themselves. It was the effort of the department to abolish vacancies as they occurred through death or resignation, and we find the Public Works department to-day in this position. In 1912-13 there were 311 people employed in the inside service. For 1925-26 we have 316 people employed. But in the last few years 38 employees, who were not in the inside service but who were working in other services of the department, and who were not shown in the civil government list, were brought into the inside service and are now known as inside service employees. If we exclude these 38 employees, the department to-day is working on the basis of 278 as against 311 in 1912-13. I am satisfied that there has been a serious effort on the part of the officials, and it is the policy of my department, to decrease the number of employees as much as possible in the interest of efficiency and the proper carrying on of the work of the department.

Mr. MARTELL: What were the increases from 1911 to 1921? As the minister's department was not a war department, I should like to know that.

Mr. KING (Kootenay): The number of employees is as follows:

1910-11	257
1911-12	272
1912-13	311
1913-14	367
1914-15	396
1915-16	396
1916-17	396
1917-18	396
1918-19	350
1919-20	350
1920-21	350
1921-22	325
1922-23	295
1923-24	326
1924-25	320
1925-26	316

It was in the year 1923-24 that we blanketed in the 38 employees of whom I have spoken as having been brought from other services into the inside service.

Last night the hon. member for West York (Sir Henry Drayton) asked some questions which I think I should reply to, although he is not in his seat at the present time. The retirements from June 30, 1920, to December 31, 1924, have been 351. Gratuities amounting to $163,229 have been paid. As regards annuities under the Calder Act, 31 persons in the inside service have been retired at a cost of $28,960.10. As regards annuities under the Superannuation Act, one person has been retired at $1,470. This makes 32 persons retired with a payment of $30,430.10 for the four years. Of these 32 positions, 16 have been abolished and 16 are being continued. That statement will show that of these 32 retirements within the inside service, 50 per cent of the positions have been abolished. That will fairly meet the criticism of the hon. member for Vancouver Centre (Mr. Stevens) in regard to the matter of retirements from the service.

Mr. STEVENS: The minister said that I had attempted to deceive the country by my statement.

Mr. KING (Kootenay): Not deceive.

Mr. STEVENS: I took my hon. friend's words down and those are the exact words he used.

Mr. KING (Kootenay): I said that the hon. member could not deceive the House; that the House was convinced as to the fact, but that a statement of that kind could deceive the country. That was my remark.

Mr. STEVENS: The minister then proceeded to say that this Calder Act was not his baby nor his government's baby; that it was a bad act or something of that kind and the product of the previous government and that we would have to take the blame for it. In the next breath, he turned around and cited a criticism made by an hon. member here last night, and he said that he did not agree with that criticism. He justified the act and his justification is shown in the large number retired under it.

Mr. KING (Kootenay): I would not have my hon. friend leave that impression on the committee. I did not say that it was a bad act. I said that an hon. member last night had said it was a bad act.

Mr. STEVENS: I know what my hon. friend said. He sought to lead this committee to believe that the government preceeding this one were responsible for the act and that they were culpable.

Mr. HEALY: So they are.

Mr. STEVENS: "So they are," says my hon. friend. That may be quite true, but the minister and his colleagues for the last three years and some months have taken advantage

of that act. They have renewed it at least once, if not more than once, and the minister has retired in his department alone 294 employees, most, if not all of whom have been retired under that act. Last year there were 186 retirements in his department, I do not know how many under the Calder Act, but nearly all of them, 170 or 175 at any rate. What is the necessity of our wasting time in discussing who passed the act, or whether it was a good or bad act? The point which I am coming to and which the minister has evaded and escaped is the question of economy. By the way, conditions have arisen in the last two years that impress that upon our attention. I am telling the government now how I think they can economize. There is not the slightest response from the Minister of the Interior (Mr. Stewart) or the Minister of Public Works (Mr. King) to the suggestion.

Mr. KING (Kootenay): Actions speak louder than words.

Mr. STEVENS: The Minister of the Interior berated me because I brought the subject up.

Mr. STEWART (Argenteuil): My hon. friend is not quite fair to me. I am not criticizing him for his suggestion; I am interested in any suggestion.

Mr. STEVENS: The minister presented to my suggestion an attitude of justifying present conditions.

Mr. STEWART (Argenteuil): My hon. friend is very good at trying to construe what other people are saying. That cannot be read into any of the language I used. I say most emphatically that I am interested in saving money in the service.

Mr. STEVENS: Very good. Let us start from that point.

Mr. STEWART (Argenteuil): I simply rose to put my hon. friend aright on one statement he made, that there were few or no transfers going on in the service.

Mr. STEVENS: I did not say that: I say, when vacancies occur let us fill them from other branches. The minister said that was being done. I will admit that it may be done in odd cases. If the government does not want to take the responsibility of amending the act, let parliament do so and make it obligatory upon the government to adopt such a policy. That is the only point I was trying to make. I pointed out that it was a habit that had grown up in this country. I quite agree with the hon. member for Hants (Mr. Martell) that for years and years we had drifted into a bad habit. I do not say this parliament is to blame more than others, but parliament is to blame if it allows it to drift along. Why can we not frankly face the situation and say that we are prepared to call a halt in these matters? Taking the estimates of the Department of Public Works, we provide $614,000 for 316 employees. It is fair to say that some of those may retire and the full amount may not be required. It would be proper under the circumstances to lower the estimate a little and allow for retirements of that kind. I am not particularly urging the point, but let us give some evidence, some decision and show a fixed determination to follow the course of practical economy which will reveal itself in dollars and cents in the estimates before the House.

Mr. KING (Kootenay): The hon. member for Lincoln (Mr. Chaplin) spoke of the positions dropped. There were ten positions dropped. Six of them will be filled, of which two are new positions. They will be filled during the year, in all probability. And one position will be revived. And there were three persons transferred from the Ottawa building staff.

Mr. HODGINS: Has the minister any power to dismiss any of his officials or staff?

Mr. KING (Kootenay): The minister may dismiss for cause. The staff is pretty much regulated by the Civil Service Commission. If we find we have an excess staff we recommend retirement, and that is looked after by the Civil Service Commission.

Mr. FORKE: If there is over-manning the minister will be responsible?

Mr. KING (Kootenay): Yes. The staff has been graded and the whole service in each department has been gone over by the commission. They set the number of employees, and place them, and say "This is your duty and your position". And that is the way the estimate is made up, each position having its classification. It is true that the government are responsible for the retirements and increases in the service, but it is done through the commission, and the commission have graded the service as it is to-day.

Mr. HODGINS: In the case of a person on the staff as a permanent official, the minister cannot dismiss him—at least, if he does dismiss him the Civil Service Commission take the matter up and give the man a position somewhere else. Is that true?

Mr. KING (Kootenay): I think the government have great difficulty in dismissing officials without cause—at least they could not retire an official and fill the position with another employee or another person.

Mr. FORKE: We hear the statement made by a responsible member of this House, who has had considerable experience, that fifty per cent of the civil service is inefficient and that the staff is largely over-manned. There is no doubt that a feeling exists in the country that the civil service costs far too much. The expenditure of the country is to a large extent uncontrollable, and if we are to practise economy it can only be in those items in which the government has control. We hear about economy, economy, all the time, and yet when it comes to the estimates we find we are just in the same place as before. I question very much if we have as large a population in Canada as we had three years ago, and yet we hear continually about the growing services of the country and the demand for more service. If our population is getting smaller and our service is increasing, where are we going? I do not feel like blaming the ministers too much, because it seems to me they are largely the creatures of circumstances. I like the suggestion of the hon. member from Vancouver Centre (Mr. Stevens), that we should get together and find some method of remedying this state of affairs; cease playing politics altogether and try to find a solution for the whole problem. It is an alarming state of affairs, and the country is up in arms about the cost of government. I sincerely hope that we can find some method of improving matters. I like the suggestion of transferring from one department to another when occasion requires, and I think economy might be effected by not appointing new officials in certain cases. I have no doubt that if anyone familiar with the service would inspect the whole system he would find that there were some departments overworked and others which had not enough work to do. We require business methods to be applied to the civil service in order to remedy the existing conditions.

Mr. KING (Kootenay): I do not think it is a fair statement to say that fifty per cent of the civil servants are inefficient and unrequired.

Mr. FORKE: Not unrequired.

Mr. STEVENS: I rise to a point of order. Both hon. gentlemen have wholly misstated my observation. What I said was that fifty per cent of the service was of the very highest type, the best in the country, men who are faithful and loyal and giving valuable services to the country, and in many cases working freely overtime and long hours. I said it was unfair to this fifty per cent, using the word in a general sense, that a large number of others who were wholly inefficient and unworthy of their positions should make it more difficult for these first-mentioned employees.

Mr. FORKE: I wrote down what the hon. gentleman said and I have it exactly.

The CHAIRMAN (Mr. Pelletier): The hon. member from Vancouver Centre rose to a point of order. What was the point?

Mr. STEVENS: It was just to get an opportunity to explain to the minister.

Mr. KING (Kootenay): It has been the desire and policy of the government to reduce the service, and I cannot give figures offhand, but I have no doubt they will be given later on in the discussion of estimates. Some thousands in the service of the government have been retired in the last few years. It is true there have been some increases. The postal service and the customs service have been increased, and those services will increase because Canada is growing in population today, despite what some people say. We know there is an increase in population. One has only to consider the school attendance in Canada, and there you will have a pretty good index as to the growth of the population. Those services will undoubtedly increase from time to time. We had a very influential delegation before the government a few days ago, and there have been suggestions in this House that the Customs department were not giving the protection they should and were not preventing smuggling. If the minister is going to give the efficient service he would like to give along the boundary, and in the patrolling of the waters of the Pacific and the Atlantic, to prevent the smuggling and the trafficking that is going on, then there will certainly be an increase in the service and an increase in the expenditure to maintain that service.

Mr. MARTELL: Mr. Chairman, as I have already suggested, I do not see why one minister should be put under fire as regards this question of increases in the public service. What has been said by the hon. member for Vancouver Centre (Mr. Stevens) is true to a considerable extent; there may not be fifty per cent barnacles in the service, but there are many cases where savings can be effected. The minister in charge of this department is

not responsible for the fact that some members of his staff have taken advantage of the Calder Act. If men who had been in the service for twenty-five or thirty years, and who were not under the provisions of the old Superannuation Act which obtained prior to 1896, had not taken advantage of the Calder Act, they would have had to make a return of five per cent of their salaries to come under the new Superannuation Act. Their retirement is not the fault of the minister of any department. I know of men in the Engineering Branch of the Department of Public Works having been transferred from London, Ontario, to Nova Scotia to take engineering positions. Several of us did not like that, but it was done. The minister could not do anything else. But do not blame any minister for the rotten system which has grown up in this country ever since confederation, under which every member wants to place friends in the service. I think the proper way is to take the different items, whether for public works or anything else, and discuss each upon its merits. Let some hon. member put a resolution on the order paper which will go to the root of the whole matter; let us have a field day, laying aside all our party prejudices and party affiliations, and see if we cannot arrive at some method whereby we can have an efficient civil service without increasing the cost to the people, and wherever possible get clear of those officials who are not necessary. Because a man has been in the civil service ten, fifteen or twenty years, is no reason whatever why he should be superannuated. The country owes him nothing; he took the job of his own volition. Often, as I have already said, he takes his superannuation and then goes out and competes with other men, knowing he has the country behind him for sometimes four, five, six or seven thousand dollars a year. For instance, I do not think a judge, after he gets superannuation should be able to hold any other public office in this country.

Mr. HOCKEN: What about a deputy minister?

Mr. MARTELL: He is in the same category. I contend that any man who has taken advantage of superannuation on account of ill-health, age or any other reason should not be permitted to enter public service again. We had experience of that in the Minister of Justice of the late administration.

Mr. CARROLL: I wish to say to my hon. friend from Hants (Mr. Martell) that members do not get salaries, they get indemnities.

Mr. MARTELL: In my own case and that of my friend (Mr. Carroll) it is only salary for a little lost time, and then it does not half pay us. I contend that the public owe no man a living, and no man has a right to be a sponger upon his fellow citizens. Any man who can do an honest day's work with brain or hand can earn a living in this country. It may not be an excellent living, but it all depends upon the ability and energy of the individual. But, coming back to the point, why attack one minister because of certain things over which he has absolutely no control? I agree with my hon. friend from Vancouver Centre (Mr. Stevens), and I speak from experience. In the civil service there are lots of hard-working, honest, upright men and women who are prepared to work from nine in the morning to twelve at night, if necessary, to carry on their duties; I can point out such people in the Department of Marine and Fisheries. But I have seen officials who simply wrote out checks or put letters in envelopes, for which they drew $2,500 or $3,000 a year, watch the clock and at the proper time take their canes in hand and walk away, and half the day they were considering how they could agitate for more salary. That is the type of civil servant we have to get after. If no one else will do so, I will place a resolution on the order paper so that we may have a field day and discuss the subject thoroughly. In the meantime do not let us condemn a minister for a system that he did not create.

Mr. HOEY: Has the minister power to dismiss civil servants, provided he is convinced that his department is over-staffed? If so, is such procedure often followed?

Mr. KING (Kootenay): Where retirements have occurred we have tried not to refill the positions. If a deputy minister finds his department over-staffed and recommends to the minister that it be reduced, the minister would send his deputy's recommendation to the commission. The commission, I have no doubt, after investigation, would accept the recommendation.

Mr. HOCKEN: Mr. Chairman, I do not understand that my hon. friend from Vancouver Centre (Mr. Stevens) is making an attack upon the Minister of Public Works,—

Mr. KING (Kootenay): I do not think so.

Mr. HOCKEN: —but he is drawing the attention of the committee to a situation which I think ought to be ventilated. There could not be a more severe indictment of the civil service than we have had from the

member for Hants (Mr. Martell), and he speaks as one having knowledge and experience, he speaks from the inside of the service and tells the House and the country what we all know, and what the country suspects rather than knows, that a considerable proportion of the civil service in this city are simply time-killers, drawing their checks and doing mighty little in return.

One of the things I object to most has been referred to by my hon. friend from Vancouver Centre, and it touches the point raised by the hon. member for Brandon (Mr. Forke). He says: Let us get politics out of the civil service. Why, Mr. Chairman, there is more politics in the civil service than there is in the Liberal party, the Farmer's party or the Conservative party. There are men in the civil service who are playing politics all the time. I do not mean party politics.

Mr. MARTELL: They are playing their own politics.

Mr. HOCKEN: Yes, and they get around them certain groups. One deputy minister says to another, "You help me here and I will help you there." Another says, "I am not getting what I should get; cannot we form some association and boost ourselves?" There is more politics in the service than in this House, in my judgment. I have seen what my hon. friend refers to—a man having charge of a branch will build it up with an unnecessarily large staff in order that he may be able to say to his minister, "Why, I have so much responsibility, I have ten people to look after." But perhaps his whole staff are simply supernumeraries, they should not be there, and if he were an energetic and faithful civil servant they would not be there. Everybody is boosting his salary. I do not think the Minister of Public Works can accomplish a reform here. If reform is to be achieved it must be undertaken by all the ministers of the government working together; the government as a body must decide on clearing out unnecessary officials, and to do this they must go through the service ruthlessly. By that I do not mean that they are to deal unjustly with any civil servant; but they should cease filling vacancies. I suggested in this House four years ago that the government of that day—which is not the government of to-day—should declare a holiday in appointments for three years. I think that could have been done then, and I think it can be done now. Whenever there is a position to be filled, with perhaps some rare exceptions in the case of highly technical help being required, a member of the service can be transferred to it if it is absolutely necessary to fill the vacancy. In the course of a couple of years you would reduce the service by about a thousand at least and you would save a large sum of money. I have had a question on the order paper for a month and have not yet been able to get an answer: I want to know how many appointments were made by the Civil Service Commission in 1924. That should not be a difficult question to answer, but it would be very interesting information for the House to have. I do not know when the question is going to be answered—

Mr. HOEY: Does the hon. member mean new men coming into the service?

Mr. HOCKEN: Yes. The question I have on the order paper is as follows:

> How many appointments were made to the civil service of Canada by the Civil Service Commission during the calendar year 1924?

I propose to get an answer to that question if it can be had. I know that a good many hon. members to my left—not many across the way, I am sure—have a high opinion of the value of the Civil Service Commission. I think it is a waste of money. I said that when I think I was the only member on my side of the House who said so. But everything I predicted about that commission has been fulfilled. They can remain in existence only by making appointments; the more appointments they make, the more work they can show they are doing. Their whole interest, their permanence, really, as part of the civil service of Canada, rests upon the making of new appointments. Why should they not make appointments? Why should they not be one of the influences that are making for filling up instead of cutting down?

Mr. SHAW: When the hon. member speaks of filling up, making appointments, does he mean that the Civil Service Commission have the right to create positions?

Mr. HOCKEN: No. It comes back to this: here in the service they are playing politics. The Civil Service Commission wants to stay in business. The commission and their staffs have great influence with the deputy ministers, assistant deputy ministers, senior clerks and all the rest. These people owe something to the Civil Service Commission, and the influence that is working is upon every deputy minister and assistant deputy minister to ask that appointments be made here, there and everywhere, which gives a job to the Civil Service Commission and enables it to stay in business. We are spending over $300,000 on that commission.

Mr. HODGINS: I think the hon. member makes a mistake in offering all these suggestions in public.

Mr. HOCKEN: Well, it is not the first time I have made them in public. I do not know just what my hon. friend objects to. I am stating what I believe to be the facts.

Mr. HODGINS: They will follow the suggestions.

Mr. HOCKEN: Follow what suggestions?

Mr. HODGINS: The commission and the different departments are following your suggestions.

Mr. HOCKEN: If my hon. friend knew the Civil Service Commission he would not be under the impression that they needed any suggestions from me; they can give me cards and spades and beat me even then. I say it was a mistake to appoint them. As long as you have the commission in existence you are not going to be able to cut out the unnecessary timber in the civil service. What is required in connection with the civil service is pruning. We ought to have a prime minister of the same courage as the president of the United States who says he is going to reduce the cost of government in that country; he is going to start at the beginning and make an impression right from the start. The president is reported to have stated that he is going to cut the cost of the service to a sum that will make the taxation in that country $25 per capita, while in Canada it is $47 per capita. If that does not give the members of the government cause for serious consideration, then I think it ought to. This country cannot pay twice the taxation that is being paid across the border and hope to compete with that country. The thing to do with the civil service is to reduce the expenditure by about $10,000,000. I have not gone into the figures so as to be able to say to what extent it can be reduced, but I am satisfied it can be cut much to the advantage of the country. We had this Civil Service Commission go through the service and classify every job. Well, how did that work out? This way. Here is a man who was classified as junior clerk. He gets everybody he can—his superiors, and those on the commission—to work to have him advanced a stage. He gets up to senior clerk, then he wants to be special clerk or assistant to the assistant-assistant to the deputy's assistant. There is no stopping place for a man of that type in the service, but there is a stopping place for the man who is intent upon his work and is doing it instead of simply trying to boost his own salary and to do as little work as he can. The politician in the civil service is the man who does not work and who is always pulling somebody's leg to get something more for himself. And, of course, every case of that kind is taken up by the commission, it is investigated and reported upon, and that all bulks largely in the work of the commission and adds to its superficial importance. I think a committee of the cabinet, perhaps associated with the deputy ministers, could reduce this service enormously, could get rid of the drones and put it on a better basis. You would get rid of the drones if they were in your business. No other business could be carried on the way the government of Canada is carried on.

Mr. KING (Kootenay): Two years ago there was a meeting of the full cabinet with the deputy ministers and the Civil Service Commission and the suggestions my hon. friend is making were made then to the head of each department. They were impressed with the extreme necessity of reductions wherever possible.

Mr. HOCKEN: Perhaps the minister will show us what the result was.

Mr. KING (Kootenay): It will be shown. This discussion is foreign to the vote, and the vote under which it would be in order will come up later. However, I have no objection; this will be merely a warming-up for the main discussion.

Mr. HOCKEN: I cannot see that any good results have followed, according to the estimates which are before us to-day. If there is any reduction in the civil service it ought to show in the amount of money that is paid for that service, and if it does not show, then the conference must have been futile. The point that has been raised to-day is, I think, well worth the time that has been spent upon it. I hope the hon. member for Hants (Mr. Martell) will carry out his promise to bring in a resolution dealing with the whole question so that we may thresh it out fully.

Mr. SHAW: While it may not be strictly in order, I do agree with the hon. member (Mr. Hocken) that no subject is of more significance to the people of Canada than that of the civil service. Anybody who has the least acquaintance with the facts will readily admit that not only is there considerable overmanning in the public service, but, what is perhaps even more important, there is overlapping as between departments. The system we are following at present is a somewhat complicated one. We have a Civil Service Commission appointed for the purpose of in-

quiring into the abilities of individuals to fill positions, and also charged with the duty of filling those positions. They have the power to determine qualifications, and likewise the power of appointment. They have absolutely nothing to do with the creation of new positions nor with the elimination of existing positions; the duty of creating or eliminating positions in the public service rests entirely with the cabinet council.

Mr. PUTNAM: Has the commission no power to advise on that?

Mr. SHAW: They may have power to advise, but they have no power to act on those questions. It appears that while the commission have the power of appointment, they have not the power to discharge; that power rests entirely with the council. Two years ago we had an opportunity in a committee of considering this very important matter, and I think everyone was impressed with the necessity of doing something, because it was realized that a very substantial amount of money would be saved to the people of Canada if overmanning and overlapping in the service could be prevented. I made one suggestion to the committee and I want to offer it to the House. Sometimes we cannot be a lamp unto ourselves, but there is no reason why we should not borrow a little oil sometimes from neighbouring institutions. There has developed of recent years in the United States a form of government for municipalities known as the business manager system. It has given satisfaction, and it is being rapidly established in some of the largest cities in America. Indeed, some of our own cities in Canada have adopted that plan. Now, is it not possible to make a proper adaptation of that plan to the civil service of Canada? I think it is. If I understand the constitution aright, the general manager of the services of Canada, including the civil service, is the Prime Minister of this country; that is his particular task. But, owing to the fact that he is charged with large problems of state and problems of policy, it is impossible for him to give to the civil service, for example, the detailed consideration that is necessary. Suppose, for example, that he delegated that function to a business manager or general manager who had supervision over the entire civil service, who had complete and final authority not only to eliminate overmanning, but also to prevent overlapping in the departments;—and when I speak of overlapping let me illustrate what I mean. I do not know that this situation now exists; I know it existed two or three years ago. Take the important public service of dredging. That was carried on two years ago by three departments of government, the Public Works department, the Marine and Fisheries department, and the Railways and Canals department. Each department has certain jurisdiction, in the St. Lawrence river. The St. Lawrence ship channel, the middle of that river, up and down which ocean ships come and go, is dredged by the Marine and Fisheries department. From the boundaries of the channel to the boundaries of the river on either side the dredging is done by the Public Works department; whereas the harbours are dredged by the Railways and Canals department. Now what business organizations would tolerate a situation of that kind for a single moment?

Mr. KING (Kootenay): The Railways and Canals department would dredge only harbours connected with railway terminals, and so forth.

Mr. SHAW: Quite right. I take it the harbours connected with the railways would be dredged by the Railways and Canals department.

Mr. KING (Kootenay): Only those in which they have a direct interest.

Mr. SHAW: They would have a direct interest, for instance, in the harbour of Quebec and in the harbour of Montreal.

Mr. KING (Kootenay): They would not do any dredging there.

Mr. SHAW: Probably not, but I have given two departments that do dredging in connection with the St. Lawrence river. I have heard that these three departments met at Port Nelson on Hudson bay to do dredging up there. Each found themselves armed with authority from their department, and each department refused to let the other department do the work, and the result was the work was not done that year. I do not know what truth there is in that statement, but in any event the example I have given will illustrate my point. Here are three departments with three sets of officials and three groups of equipment, all for the one purpose of dredging. Why should not one department alone be charged with that service? There would be a great deal saved not only in the way of eliminating overmanning, but also by preventing overlapping were that suggestion adopted. Now my suggestion is this, that we should have a general manager of the service, a man charged with the task of preventing all appointments of additional unnecessary men, a man who has

absolute authority not only over departments but also over deputy ministers, and who would be responsible to cabinet in council, in fact, be the delegate of the Prime Minister to carry out the duties of the general manager of the civil service. That I think is something that we should seriously consider, and I think it is a matter that we can, without any political consideration arising, fairly consider in addition, of course, to any other plans for the purpose of remedying this situation. Now I am frank to admit that if the civil service commissioners had been able to establish themselves in the confidence of the people of this country, it would be the logical body which should undertake that work. I want to say now that so far as the theory of the Civil Service Act is concerned, I am in hearty accord. There are two vital principles that we must not forget in the creation of that act; one is the application of the merit principle to positions in the public service; it is essential that political patronage be eliminated. The merit system should apply so that those who are best qualified will get the positions that are vacant.

Mr. LOVETT: How would you apply that to minor positions in the country?

Mr. SHAW: I can only tell my hon. friend that in the United States they have not any difficulty in applying that system even to the lowest-paid service, and apparently they are applying it with satisfaction.

Mr. LOVETT: How could that be done?

Mr. SHAW: If you will give me the position you want filled, I will indicate how it is done. I do say that the merit principle is fundamental. The second principle involved in connection with the operation of the Civil Service Act is that an independent body, a non-partisan body, a body freed from political control, should have the carrying into effect of the merit principle. Now, I am frank to admit that in my humble judgment the civil service commissioners have failed in their duty, and I think they are chargeable before the people of this country for their failure to properly apply these two principles. I do not hesitate to say to hon. members of this House that I had thought that probably the proper thing to do was to present a resolution before the House advocating the discharge of these commissioners. But the failure of these officials to perform their duties is altogether different from saying that the merit system should not apply. I think in the Civil Service Act a mistake was made in appointing three commissioners. I think only one should have been appointed, and this country should have been searched high and low in order to get an individual to fill that position who would have commanded the confidence and the esteem of this country. I think that in the application of the merit principle to the services of Canada we made a very sad mistake at the outset in restricting ourselves to political considerations in filling these high positions.

Mr. MacLEAN (Prince): How would you apply the merit system to the outside service where a competitive examination is really a matter of form, and where one man is just as well qualified to fill a vacant position as another?

Mr. SHAW: If my hon. friend thinks there should be a separate test applied—for example to an audit clerk who wants a position in Ottawa—I think he is entirely mistaken. If a test is necessary it should be applicable all over the country, and not restricted to applicants for positions in the city of Ottawa alone.

Mr. MacLEAN (Prince): My hon. friend has not grasped my point. I did not refer to such positions as audit clerks, bookkeepers, and the like; I was referring to lighthouse keepers, lock tenders, or occupations of that kind throughout the country, in regard to which my hon. friend must admit the qualifications of one man are just as good as those of another. I do not see that the merit system would be of any benefit in such cases, and to put in force a costly and elaborate system of competitive examinations for the selection of men to fill these positions is entirely unnecessary. I should like my hon. friend to give us his opinion on that point.

Mr. SHAW: There must be ten or twelve thousand such positions that are entirely exempted from the provisions of the Civil Service Act.

Some hon. MEMBERS: No, no.

Mr. LOVETT: Anything below $200.

Mr. SHAW: Anything below $200 is exempted from the provisions of the act but positions carrying with them a higher wage are subject to the Civil Service Commission.

Mr. CHAPLIN: The hon. member (Mr. Maclean, Prince) gave a concrete example of the class of cases he has in mind. He referred to the position of lock tender, and there are possibly one hundred lock tenders in my county. Would the hon. member kindly state what qualifications the Civil Service Commission have for making these appointments?

Mr. SHAW: I must say that I do not know what a lock tender's duties are. If they are of an engineering character there would be no difficulty in determining by competitive examination the fitness of the applicant for the post. If it is merely a labourer's position my suggestion is that the Civil Service Commission adopt the plan which is followed in many states of the American Union: Simply have some qualified official, already in the public service, decide the fitness of a particular individual for any task however minor it may be.

Sir EUGENE FISET: What about hon. members?

Mr. SHAW: I think hon. members should ask to be excused from all such duties. As I understand a member's duty he is not elected for the purpose of filling minor positions in the public service, nor, for that matter, any position. It is his duty to come here and represent the wishes of his constituents so far as legislation is concerned. He should not be saddled up with additional work which not only interferes with that duty, but makes it impossible for him to properly function in the position to which he has been elected.

Mr. SPEAKMAN: What I had intended to say has been well covered already by other speakers. However, I should like to stress one phase of the question. We have heard a good deal about the necessity for a reduction in the number of public employees. I am absolutely convinced of the necessity for such a reduction. But what are we to do in the face of the situation I am going to describe. Let me give an illustration, it will be very familiar to every hon. member. As I drew my mail from the post office box this morning I pulled out a couple of familiar brown envelopes. I think we receive practically every day a brown envelope sent out by the Civil Service Commission containing a notice asking for applications for men who will take examinations for a certain position. These requests come pretty nearly every day, all the year round; the commission is continually flooding us with these notices. What does it mean? It means that every year, every month, every day the people of this country are being invited to apply for entrance into the civil service. Now, in view of the fact that the ministers are continually making the statement—and in

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many instances the statement is correct—that reductions in the service are being carried out, and that there are so many fewer employees in individual departments, I wonder what becomes of the thousands of misguided applicants who seek admission into the public service? What happens to them after they take their examination? Does it mean that notwithstanding the protests on the part of the members of the government, notwithstanding the express desire of the House itself, notwithstanding the growing intensity of feeling throughout the country for the practice of economy, the civil service is actually increasing and growing all the time? I think a very sound suggestion has been made that for two or three years the issuance of these brown envelopes shall cease, and that if men are required in a particular department the proper officers in that department shall go to another branch of the public service and say "Can you spare us a man, because the law will not permit us to bring another person into the service?" I believe that would be the soundest way to proceed. I realize the difficulty of saying to a man who has been in the service of the country for many years "You are no longer necessary, you must go;" but nevertheless through deaths, sickness and retirements it is possible to reduce the number of appointments, and I would suggest that we should make a hard-and-fast rule for a certain time that these brown envelopes should stay at home, and that no more applications for admission to the service shall be sought for that period and no more admissions permitted. Let us try that system, and also endeavour to fill vacancies necessary to be filled by transfers from other departments.

Mr. LADNER: I have a word to add to the discussion in the way of a suggestion. The matter is of interest to the country generally, and if you ask citizens at large what they think of the public expenditure along this line they will ask "Why is not something done?" But the system complained of goes on year after year and nothing is done. I am told by a certain person who is an authority on these matters—I do not claim to be an authority myself—that one method that would be helpful in the reduction of expenditures would be along this line—I think perhaps the hon. member for Vancouver Centre (Mr. Stevens) may have referred to it: When positions need to be filled supernumeraries should be transferred from departments where the volume of business is less than it formerly was. I am told that the work of some departments was quite extensive years ago necessitating the employment of a certain number of men, but of recent years the business has fallen off and yet the same sized staff is maintained although in certain cases the men are no longer needed. I suggest that those men who are drawing their salary and

doing little or nothing should be placed on a supernumerary list, or some special list, and when vacancies occur in other departments they should be filled by appointments from this list after the proper examination required by the civil service has been passed. The hon. member for West Toronto (Mr. Hocken) has truly said that we can well declare a holiday for three years in the matter of additions to the public service, just as we could declare a holiday in many governmental expenditures. Because the need for economy is urgent and has been urgent for some years. We must have a reduction in the public expenditures when many people are practising the strictest economy in their private affairs and even undergoing actual privation. Surely it is time for the government to make a real advance and show the country that they are in earnest in practising economy not only in this department but in all the other branches of the public service.

The other day I had occasion, during the progress of the estimates of the Minister of Agriculture (Mr. Motherwell), to examine previous estimates and the Auditor General's reports. In a very large number of items one finds each year an increase. Surely these increases can be stopped, and the government is the body to take that course. The person chiefly responsible for taking the initiative in that work is, of course, the minister. I am not saying that in this case the Minister of Public Works has had sufficient opportunity to do that, but in many departments the ministers can take that step. I make these few remarks, because I believe that in doing so I am voicing the thoughts of ninety-five per cent of the citizens of my constituency and, indeed, of my province.

Mr. MARTELL: Would the hon. member be in favour of scrapping the whole Civil Service Act and the Civil Service Commission and starting out anew?

Mr. LADNER: No, I would not. I am not one of those who believe you can create something after a great deal of thought and work, and then, in some fit of mental aberration, wipe it out entirely and create some new structure. That is what they tried to do in Russia and they failed. We have an existing institution which has a great deal of merit. It has made some reforms which have been of advantage to the country. In my judgment, the proper course to take is to correct the deficiencies of this institution as we have it. By experience they can learn where the weak spots are, and by aggressive action on the part of those in control, they can eliminate the weak spots, transform them by strong methods, and enable the commission to carry on the work. Let us keep the structure that we have, develop it, build it up and make it more efficient, so that it can, perhaps, effect greater economies.

Mr. CAMPBELL: I find myself much in harmony with the hon. member (Mr. Ladner) in regard to the civil service. Our aim and object should be to develop rather than to destroy. The Civil Service Commission was created on account of a desire for it in the country. The change of officials with every election was something that the people of Canada were heartily sick of. There was a point, I believe, that was missed by the hon. member for Red Deer (Mr. Speakman) when he spoke of this continual deluge of brown envelopes. Most of those competitive examinations mean simply a readjustment within the service itself, and the elimination of those would be one of the first things to destroy confidence in the whole system. For instance, a man may be working in the Customs department, and a position is opened up in the Department of Finance. Supposing this man who is looking for promotion is entitled to that, it is only through a competitive examination that promotions and readjustments can be effected in the civil service. The question has been asked here this afternoon who should appoint men in the outside civil service, such men as those attending the locks on our canals. I would say that the only official to appoint them would be the man under whom they are working, the man responsible for their actions. Take, for example, the position of postmaster. There is no competitive examination for the position of postmaster. But the matter is left, in almost every case of which I have known, to the post office inspector of the district, the man who should know the necessary qualifications, the man who visits the district. If there are four, five or six applicants, as there are in most cases, he will interview the men, find out something about their educational qualifications, their ordinary business ability, their standing in the community from the point of view of integrity and in other regards, and he will make his recommendation to his department. Those recommendations are forwarded to the Civil Service Commission, and in every case I have had occasion to look into, the recommendation of the post office inspector has been accepted by the commission. That is perfectly right. The Civil Service Commission is subject to a good deal of criticism from the fact that many sections of the country want the old party privileges again,

patronage and nothing else. I would like to see some members come out more frankly and state what is in the back of their minds, because I think that is what it is.

Mr. MARTELL: Can the hon. member show that, as a result of the Civil Service Commission, better or more efficient men have been appointed to office than was the case when they were recommended by members of parliament, representative of either of the two old parties in this country?

Mr. CAMPBELL: That would be impossible. If I quoted figures, the hon member for Hants would not accept them. Naturally, he would think the man whom he was responsible for recommending would be more efficient than the other.

Mr. PUTNAM: Nobody expects figures.

Mr. CAMPBELL: It is impossible to deal with a technical question like that, but I believe public opinion on the whole throughout the country endorses the principle of the Civil Service Commission. It may be that the commission is not perfect, indeed, we know it is not, and I believe a good deal of politics is played within the Civil Service Commission as the hon. member for West Toronto (Mr. Hocken) has just said. I believe very frequently where they want a certain man in a particular position, he is put in temporarily and is given an opportunity to become acquainted with the duties of that office, and by and by, after six or nine months, when a competitive examination is called, he certainly is in a preferred position. Other men coming along may be better qualified in other respects, but naturally, as he has a definite knowledge of the technical duties of the office, they are not in the same position to compete in the examination. Many faults can be found with the Civil Service Commission in that regard, but I believe public opinion, on the whole, throughout the country, is in favour of the principle of the Civil Service Commission. And my knowledge is not entirely confined to the west; I find the same feeling at Ottawa. I find it in my home in the Maritime provinces. I have never been in Hants county; the same feeling may not exist there.

Mr. MARTELL: I am afraid the hon. member has not visited very much in Canada, even in his own province of Prince Edward Island, but if he comes to Hants, I will show him that we believe in the old-fashioned system of patronage.

Mr. CAMPBELL: I congratulate the hon. member for Hants on being frank; the trouble is that too many hon. members are not. Speaking for public opinion in this country as I know it, I believe it is behind the principle on which the Civil Service Commission was based. Let us get behind the principle. If there is anything wrong with the commission, instead of destroying it and throwing it overboard, let us make it our aim and object to improve it. That, I think, we can accomplish.

Mr. HOCKEN: There is only one way in which the Civil Service Commission can test any man's qualifications, that is his educational qualifications. They do not know anything about his integrity. They have to get that somewhere else.

Mr. CAMPBELL: They require of every applicant three testimonials as to his integrity.

Mr. PUTNAM: He will admit it himself.

Mr. HOCKEN: I know a man who has been in every jail in his county, and he was able to get the necessary testimonials and receive a position under the Civil Service Commission.

Mr. CAMPBELL: Would that not prevail under the patronage system to the same, if not to a greater extent? I can cite many examples of what is going on in my own province to-day under the patronage system.

Mr. HOCKEN: If any man has to be careful about recommending for a position a person whose integrity is at fault, it is the member of parliament. The man I mentioned was appointed in spite of the complaint of the member representing that riding who came to Ottawa and gave the man's record to the commission. No member of parliament could or would recommend a man like that. To do so would be as much as his seat was worth. But if a member of parliament recommends a man to the Civil Service Commission, that one fact damns the man for the job. I do not know whether my hon. friend knows it, but I happen to know that when the act was first introduced into this House, it contained a clause stating that any man who was recommended by a member of parliament should, by that fact, be disqualified.

Mr. LEWIS: Is that in the act still?

Mr. HOCKEN: I do not think that is in the act now. The members of this House were able to swallow a good deal at that time, but they could not swallow that. That was cut out, but the principle of the clause is still operative, and if a member of parliament recommends a man to the Civil Service Commission, unless he has gone round some circuitous way—and there are circuitous

ways—his recommendation, instead of having any good effect for the applicant, destroys his chances of getting the appointment.

Mr. LEWIS: Does that apply to the government side too?

Mr. HOCKEN: I think I may leave that to my hon. friends opposite. I just want to make the one point, that the Civil Service Commission, which talks about the merit system, has only one standard by which to try a man, and that is his educational qualifications, and I have known men who could pass any educational test placed before them, but not a man in the community would trust them with a fifty-cent piece. There are men like that in any community of any size. After all, what is the supreme qualification for a civil servant? Is it not integrity? I do not care how ably a man can pass an educational test, if he has not integrity he should not be in that job at all, and that is something the commissioners are compelled to leave to the man's friends.

Mr. MARTELL: Is it not the case that many men who pass the highest examination are the poorest in their work? Sometimes men pass a very poor examination, on account of having less education, but from a practical and administrative standpoint are far superior to the men who pass a good examination.

Mr. LEWIS: Does that apply to the law examination as well?

Mr. MARTELL: Certainly. I have known honour men to make very poor barristers. My remark would also apply to theologians; sometimes the greatest theologians are the poorest preachers.

Mr. HOCKEN: My hon. friend speaks from the inside, and I have no doubt he has cases in his mind where that applies, and everybody knows it. It is one thing to pass an educational test, as any schoolboy could do, and it is another matter to have experience and judgment to fill an office properly. My hon. friend talks about specifications required for the civil service. Let me give an instance which happened about two years ago which would indicate the policy of the commission. They advertised for a chief filing clerk at a certain salary, and they wrote a specification which said that the applicant must have two years' experience as filing clerk in a government office. There was only one man in Canada who could fill this specification, and the specifications were written for him. He got the job. The thing was framed up for him, and that can be done by the commission and has been done by the commission in more instances than one.

Mr. CAMPBELL: That is one of the reasons why I wanted it corrected.

Mr. PUTNAM: I am a little doubtful whether this sitting of the House has developed into an experience meeting, or an at home. I wish to congratulate the hon. member for Mackenzie (Mr. Campbell) upon his unique courage. He is the only man who would justify in toto the Civil Service Commission.

Mr. CAMPBELL: I want to correct the hon. member. I pointed out there were undoubtedly weaknesses in the Civil Service Commission and I wanted to see them corrected.

Mr. PUTNAM: Does he favour that change which removes from the Civil Service Commission the appointment where the salary is less than $200.

Mr. CAMPBELL: I cannot say. There are a good many at less than that and there are a great many included in the outside service at $900. I cannot say whether I included them in that statement. The appointment of rural postmasters may perhaps not be considered an important matter, but it is left to the inspector in the district.

Mr. PUTNAM: The answer is verbose but modest. The effect of it is that he does not know. There has been a great deal said in this House in disapproval of the Civil Service Commission, and when the attention of the country is so focused upon it, I would remind the House at large, and the country also, that it was this administration which cut out hundreds of the idiosyncracies of the Civil Service Commission by exempting from its jurisdiction all those positions where the salary was not above $200. If I spoke of experience in my own constituency, I would say,—I have no hesitation whatsoever in saying,—that that was a distinct movement in the direction of common sense and in the direction of economy, with no loss of efficiency, to put it very mildly. Those brown envelopes which have been referred to no longer come trailing through the mails, with respect to little appointments of that class. I call attention of the hon. member for Mackenzie to the absurdity of saying that the salary of the amount of $205 commands a man who must be appointed by the Civil Service Commission of Ottawa, when he is not sure that a man might not properly be recommended for the job by a member of

parliament if the pay does not exceed the $200 mark. That is one of the wretched burlesques of the whole civil service. I hope that, inasmuch as this administration has taken from the red tape of the civil service these small jobs commanding not more than $200, which in the estimation of the hon. member for West Calgary (Mr. Shaw) number thousands, I hope they will proceed a little further in their good works. I am disappointed that they have not already made a better contrast with the work which had been done by their predecessors in this matter of the Civil Service Commission.

Mr. STEVENS: While my original observations on this vote certainly did not go as far afield as many other remarks which have been made, nevertheless the discussion is one which I am sure will have some benefit and will be very informative to the public as well as to many members of the House. I approach this question with a desire to do something practical. I was upbraided and reprimanded very mildly by one or two hon. members because I brought the question up at this particular time. Let me say in justification that I applied on one or two occasions to the Civil Service Commission, I have applied to the Statistical branch, I have applied to two or three departments, for information, and this is what I have been told in the different answers that I have received. There is a proper time to get complete information about the whole of the civil service, about the number of retirements or the number of employees, even in different branches or different departments. Then some of the departments have refused to make returns. They did not specify to me what these departments were. I asked in the House two years ago for information along this line, and I was forced to this position: that as each department's returns come before the House we must question the minister in order to secure information. If the leader of the government were here I would address this request to him, but in his absence I address myself to the minister in charge, the Minister of Public Works, whose estimates are now before us. Will he ask his colleagues to have prepared and laid on the table of the House within the next few days a complete statement showing the number of employees in the different departments, the number who have been retired from the different departments, and a complete statement of the conditions of the employees of the government in Ottawa, at least at this time, numerically, and so far as the distribution of finances is concerned, including the retirements and the condition of these retirements?

[Mr. Putnam.]

Mr. KING (Kootenay): I am under the impression, Mr. Chairman, that such a statement has already been filed. If it is not complete I will certainly bring it to the attention of the Prime Minister so that the necessary directions may be given. There is no desire to withhold information, but I understood yesterday there was a report from the commission.

Mr. STEVENS: It is not before the House.

Mr. KING (Kootenay): It was.

Mr. STEVENS: I tried to get it. I wanted to study the whole statement, but I was told there were certain departments, which were not specified, that had refused to file particulars with the Civil Service Commission.

Mr. KING (Kootenay): I will make inquiries.

Mr. STEVENS: Before we branched off into the general discussion, I was pointing out to the minister that a system should be adopted in his own department, as between branches, to utilize the services generally of the lower branches of clerks, stenographers and so forth. For instance, in the architect's branch there may be a pressure of clerical work in getting out plans for some buildings, whereas a number of clerks in some other branch may be comparatively idle. Now, what I complain of is that the personnel of that comparatively idle branch is kept up. Some hon. member stated there have been reductions in the number of civil servants. But the test I applied throughout my remarks was the test of dollars and cents, and after all that is the only way in which we can reflect economy correctly, it is the only way at least by which the taxpayer will appreciate economy. Let me say in reply to some reproof pointed in my direction in regard to this discussion, that I know of no other place where we can properly discuss this question than right here and right now. After all, it is not what some previous government has done, the government of my right hon. leader, the government of Sir Robert Borden or the government of Sir Wilfrid Laurier; the point is that the government to-day are responsible for the practical administration of affairs, and it is to them that we must look for results if we are to expect anything definite.

Mr. KING (Kootenay): With regard to mobility within the service, there is to-day a certain rigidity, largely due to the classifica-

tion laid down by the commission. That was brought about by the introduction of experts to go into the affairs of the civil service. A few moments ago it was suggested that the government should have a business manager. The man on the street will read that and say, "It sounds fine." But in actual practice it would not work out.

Mr. SHAW: Why not?

Mr. KING (Kootenay): It would not. As I said, experts from the United States investigated the civil service, and the situation we have to-day is the result of their work. That has been the history in many cases where so-called experts were engaged in an attempt to improve the government service. Many able men are connected with the civil service, and it is unfair to think that in the various departments of government we have not officials who are each and every day giving serious thought to the development of the service and to do what is right in regard to it. Probably nothing was more disturbing to the civil service than the injection of the so-called experts from Chicago four or five years ago. The government has tried to be practical. As I told my hon. friend from West Toronto (Mr. Hocken) the government brought the deputy heads and the civil service commissioners together, and they also advised the Auditor General that he and his audit board should make a survey of the service. I believe that a report prepared from within the government service will be more valuable and effective than the introduction of foreign or outside experts, so-called, to tell us what we ought to do to improve the service.

Mr. MANION: I have listened with a good deal of interest to the discussion regarding the Civil Service Commission, and I rather draw from the minister's remarks the inference that he, to a certain extent at any rate, lays the blame for the size of the civil service on the Civil Service Commission.

Mr. KING (Kootenay): No.

Mr. MANION: At least I reached that conclusion. However, I think there is too great a tendency on the part of the ministers generally to blame the Civil Service Commission for the statutory increases. I would point out what I think is correct, that after all the Civil Service Commission does not of itself enlarge the staff; it is enlarged by the Civil Service Commission at the request of the minister in charge.

Mr. KING (Kootenay): That has been admitted.

Mr. MANION: I think it advisable to point that out, because there seems to be a tendency, perhaps not intentionally, to blame the Civil Service Commission for increasing the staff or holding the staff to the size that it has already reached. As a matter of fact, I take the law to be that the Civil Service Commission hires a clerk or other employee for a department only when so requested by the department.

Sir EUGENE FISET: The Civil Service Commission has the right to investigate the demands of each department, and it is in a position to refuse those demands if it chooses to do so.

Mr. MANION: I admit that is correct. But if the government is sincerely anxious to cut down the size of the various departments it does not need to ask the Civil Service Commission to act; it is primarily up to the minister in charge of the department overstaffed if he wishes to lessen the number of his employees.

Sir EUGENE FISET: But it remains with the commission to decide, and it is there for that purpose.

Mr. MANION: I think the matter remains entirely in the hands of the minister himself. If he wants assistance in his department he cannot very well be refused by the commission.

Mr. SHAW: The hon. member for Rimouski points out that the responsibility is on the Civil Service Commission to go into the departments and reclassify, eliminating positions if they find them unnecessary.

Sir EUGENE FISET: I beg the hon. gentleman's pardon. What I said was this: If a department makes application to the Civil Service Commission for a new position, the commission has the right to go into that department, investigate the demand that is made and decide whether or not the new position is necessary.

Mr. SHAW: The Civil Service Commission has no right to create positions.

Mr. MANION: Not only that; if, say, the Minister of Public Works notified the Civil Service Commission that he wanted an officer to do certain work and the commission refused to make the appointment on the ground that it was not necessary, I am sure the minister, and properly so, would raise a pretty serious row with the commission. Even if the commission have the power that my hon. friend refers to—and I do not doubt he is right

—I question whether they would dare exercise it to the extent of refusing to make an appointment that a minister demanded.

Sir EUGENE FISET: But that is exactly what has happened. In the classification of the service the commission objected to certain classifications recommended by the departments and the creation of certain positions, and the recommendations of the commission in that respect were in most cases accepted by the department concerned.

Mr. MANION: That is simply a question of the names given to the different classes of employees; it has not to do with reducing the number of employees. I notice that the number of employees in this department this year is 316; last year it was 320. What was the number for the previous year?

Mr. KING (Kootenay): In 1923-24 it was 326 as against 295 for 1922-23. The increase was accounted for by the bringing into the inside service of 38 employees who had previously been carried in other services and on other pay-rolls.

Mr. MANION: I am not questioning that.

Mr. MARTELL: That was the blanketing-in order in council?

Mr. KING (Kootenay): Yes.

Mr. MANION: The point is that the decrease is so infinitesimal that it really does not amount to a decrease at all.

Mr. KING (Kootenay): In 1911-12 it was 272 as against 278 this year, deducting the thirty-eight who were blanketed in.

Mr. MANION: There are six more to-day than there were in 1911-12, and I venture to say that there were more public works going on in this Dominion at that time than there are to-day.

Mr. KING (Kootenay): That is true. But methods of business are entirely different to-day; more people are employed in office work than ever before, and that is true also of the commercial or business world. I think the comparison of the figures to-day with those of 1911-12 is fair and favourable to the department.

Mr. MANION: I am afraid I will have to question the minister's statement that in all walks of life there are more men doing the same work to-day than there were in 1911.

Mr. KING (Kootenay): In the commercial world, I mean.

[Mr. Manion.]

Mr. MANION: I do not imagine that in the Canadian Pacific Railway Company's operations, for instance, more men are doing the same work to-day than were employed in 1911.

Mr. KING (Kootenay): In their offices, yes.

Mr. MANION: Well, this is not only offices.

Mr. KING (Kootenay): Yes, it is the inside service.

Mr. MANION: At any rate, I would point out that there is throughout the whole of this country a demand, and I think a just one, that we should cut down not only the expense of government but the national expenses generally, Dominion, provincial and municipal. There is a way of cutting down our civil service expenditure; perhaps it was suggested when I was out of the room. I do not believe we should go out into the different departments, and slash here, there and everywhere, put men out of work and increase the unemployment which unfortunately is worse at this time, to my mind, than it ever was in the country before. I am not blaming on the present government the overloading of the civil service as it prevails in very many of the departments; all past governments permitted the civil service to be built up to a greater extent than it should have been. We cut down the number of employees in the Printing Bureau with good effect and there is no doubt that all the departments, or most of them, could be cut down with resulting improvement to the service and saving to the country.

Mr. MARTELL: How did the government cut down in 1911 when 11,000 Liberals who were dismissed were replaced by 33,000 Conservatives?

Mr. MANION: I do not know that that is the fact, and I shall not be able to discuss it, for that reason. I am not admitting that we did any such thing.

Mr. MARTELL: My hon. friend was a Liberal in those days.

Mr. MANION: Probably I would have agreed with my hon. friend in 1910-11 about that, if it occurred. I do not like to keep repeating to my hon. friend that I am getting wiser as I get older. My suggestion is that when a man retires, dies or otherwise leaves the service, let the positions remain as they are or fill them by transfer from some other department.

Mr. KING (Kootenay): I think that is being done.

Mr. MANION: Well, I do not. I hope it is, but I cannot see it in any of the figures. The Postmaster General announced the other day that he had put in a lot of machines to cut down labour, but the fact is that the number of employees in his department has been increased. Certainly I should think there were more than four superannuations or deaths in the Department of Public Works last year. The hon. member (Mr. Stevens) tells me there were 12, so that the plan I suggest has not been carried out. We certainly could cut down the civil service gradually and work hardship to no one if we adopted this plan of filling vacancies by transfer from the same department or from other departments, and it might then be possible to establish the civil service upon something reasonably like the basis of strength of a private corporation. The minister says that is being done. Well, I hope a real attempt is being made to do it; at any rate, I think there should be a greater attempt than is shown in most of the departments. I admit that the minister's department shows a decrease, but in most of the other departments there appears to be an increase.

Mr. BELAND: Not in mine.

Mr. MANION: Oh well, we could hardly expect an increase in his. But we will attend to the Minister of Soldiers' Civil Reestablishment in a few days.

Mr. BELAND: I hope the hon. member will commend me for reducing my staff.

Mr. MANION: I hope there will be something upon which we can commend my hon. friend. I repeat that we should make a greater effort than is being made at the present time—and I say it in all sincerity—to cut down the expenses of government and in that way to reduce the very high taxation we have in this country.

Mr. EVANS: That the Civil Service Commission has failed to gain the confidence of the people of the country has been due, I think, to other reasons than their inefficiency. It was noticeable at the first session of this parliament I attended that the Civil Service Commission were getting no sympathy or co-operation from the heads of government, not even from the deputy ministers. Indeed, I have known that from divisional heads the Civil Service Commission has met with opposition in carrying out its wishes. Now this is not as it should be. The hon. member for West Toronto has said that the Civil Service Commission has no way of finding out an applicant's integrity or his standing in his own community. I can very well remember conditions as they were when the old patronage system was in full swing, and I can assure the hon. member that at that time men were placed in most responsible offices whose integrity to say the least was very questionable.

Mr. KELLNER: Those are the men we are superannuating now.

Mr. LOVETT: What happened to the member appointing them?

Mr. EVANS: Often it is not the member of parliament that makes the appointment. Can anyone say that I have the patronage in my constituency?

Mr. LOVETT: Did the member of parliament who appointed them win his election?

Mr. EVANS: If the member happened to be on the opposition side, he had no say in the patronage at all; it was not given to him. In fact, the Minister of Agriculture is the ruler of Saskatchewan to-day. But this is what I want to tell the House: I believe that if the Civil Service Commission to-day had the sympathy of the heads of the government and of the divisional superintendents, and so on, we could make the commission the best system for appointments to the civil service that this country has ever seen. I want also to say that the people back in the country will not stand for the abolition of the Civil Service Commission just now.

Mr. MARTELL: Don't delude yourself.

Mr. ANDERSON: I want to make a few remarks regarding the Civil Service Commission. I have been a great deal interested in the remarks that have already been made, and I agree with a large part of what has been said, though I am not in favour with the total abolition of the Civil Service Commission. That commission was appointed some years ago, and it has given good service to the country, but I think its powers and privileges are altogether too wide, and that the outside service should never have been brought under it. In appointing officials to the outside service, the Civil Service Commission is utterly unable by a technical examination to find out who is the best qualified man for the position. They may be able to ascertain his educational qualifications, but they cannot possibly tell whether he has any ability in meeting the public, or whether he has any knowledge of the details of the department in which the vacancy occurs; nor can they tell anything

about his integrity. They can only ascertain these things by applying to some person in the constituency where the appointment is to be made. Now under the terms of the Civil Service Act a member of parliament is forbidden to make any representations to the Civil Service Commission; I believe a member of parliament is prohibited under a penalty from making any representations to the committee with regard to any appointment. I believe that if he did make such representations, it would be against the best interests of the applicant.

Mr. CAMPBELL: Do I understand the hon. gentleman to say that a member of parliament is prevented from making any representations in regard to appointments to the Civil Service Commission, and that there is a penalty under the act for so doing?

Mr. ANDERSON: There may not be a penalty attached, but he is certainly prohibited from making any representations to the commission.

Mr. CAMPBELL: Prohibited by statute or precedent?

Mr. MARTELL: There always was a provision in the act that no official of any department could in any way approach a member of parliament and ask his influence to be used in his promotion or anything else. That was in the old act.

Mr. ANDERSON: A member of parliament is also prohibited from making any representations to the commission regarding the appointment of any person.

Mr. EULER: Is it not a fact that it was understood at the outset after the 1918 act was passed that if a member of parliament did approach the civil service commissioners on behalf of any particular person, that person was not to be appointed at all? He was immediately ruled out of consideration. I think that was the intention, but I think it is not observed.

Mr. ANDERSON: I did not understand that that was the intention, but I have not any doubt that that is one of the results of a member of parliament making representations to the commission. The commission is therefore compelled to apply to some person in the constituency where the appointment is to be made as to the character of the applicant. They must depend upon some person in the constituency who knows the applicant and can say whether or not he is a proper person to be appointed. The Civil Service Commission depend entirely on that, and sometimes they apply to persons who are friends of the applicant, and who are desirous of seeing him appointed. The consequence is that the commission is very often misled, and the member for the constituency has very frequently to accept the responsibility for the appointment whether he recommended it or not. The public at large seem to think that he has some influence, and that it was through his influence the person got the appointment, and consequently they visit upon him the blame for a bad appointment. Now it is impossible for the commission to know whether a person is capable of meeting the public, whether he is courteous and efficient, or whether he is of good character, and the consequence is that many people are appointed who never should have been.

So far as the inside service is concerned, if you want a reorganization or readjustment made in the departments the one person who knows most about his department is the minister himself. He is the person who should be able to say whether the number of employees in his department can be cut down. He should be responsible for making such recommendations to the Civil Service Commission. He should do that, but under the act I believe he cannot.

Mr. CAMPBELL: Has the minister not that power? Also what would happen if the minister reduced his estimates after they were brought down to the House?

Mr. ANDERSON: He cannot reduce his estimates until he has reduced the number of employees.

Mr. CAMPBELL: If he provided in his estimates for only a certain number of employees, would not the others automatically vanish?

Mr. ANDERSON: Not necessarily. They must receive their discharge first. If they are not eliminated from the department and the salaries are not paid where is the minister going to be?

Mr. CAMPBELL: The minister is responsible for his estimates, and not the commission.

Mr. ANDERSON: The minister can discharge an employee but he cannot appoint one.

Mr. EULER: He can fire but not hire.

Mr. ANDERSON: I think the ministers themselves should take in hand the matter of reducing the number of employees. If you want the civil service cut down, I think you must depend on the ministers at the

head of the various departments to do it. One of the criticisms I have to make at the present time in regard to the public service is that while the number of employees in the various departments appears to be increasing the work itself is really decreasing. There is certainly a lack of efficiency somewhere. I think a large number of the civil servants in Ottawa are not fully employed during their working hours; they have a lot of time on their hands and can go out around the city when they should be at work. There should be more work provided for the employees in the public service, and greater efficiency should be required. It is up to the ministers at the head of the various departments to see that these requirements are fully met.

Mr. McBRIDE: Does my hon. friend know of one person in civil life who is not employing more men to do the same work than was the case ten years ago?

Mr. ANDERSON: That may be true. We have very many more employees in Ottawa than we had previous to the war. The war rendered a lot of additional appointments necessary, and since the close of the war it has been very difficult to get rid of these extra employees. I understand perfectly the difficulty of the government in cutting down the number of additional employees which the war rendered necessary. Although the necessary work in the departments has diminished, it is really difficult to get rid of the extra employees.

Mr. McBRIDE: My hon. friend has not answered my question, which referred to persons employed in private life. I know that in Vancouver previous to 1910 I had two persons in the office; now I have six.

Mr. ANDERSON: I answered my hon. friend's question. I believe that is true in private life as well as in the government service.

Mr. SPENCER: My hon. friend places the entire responsibility for reducing the staff upon the members of the government. Does he not consider that some responsibility should rest upon the deputy ministers?

Mr. ANDERSON: The deputy minister, of course, takes his orders from the minister.

Mr. BOYS: I should like to be set right in this matter. Assertions have been made indicating that it is not in order for a member of parliament as an individual to make a recommendation on behalf of his fellow citizen who is seeking a position in the public service. I should like to find out from the minister if that is correct. I do not believe it is correct. I have always understood that the member's right to make recommendations, as he used to make them, has been taken away; in other words, patronage has been abolished. But it is absolutely news to me to hear that if a fellow citizen who is seeking a position goes to a member of parliament and asks him to certify to his ability, his integrity and so forth, the latter has no right to do so. I confess I have not done it many times but I have on a few occasions, I think probably six or seven in the last two or three years, written letters of this kind. I am not aware that I did anything wrong in so doing. If so, I should very much like to be put right; I should not like to do anything which was not right in this connection. Generally, as a member of parliament, I do not do it; I know how useless it would be to entertain any hope of appointing a Tory in my riding; but I have thought that even with a government opposed to me in politics in office that I could, perhaps, as a citizen, say a word occasionally on behalf of a fellow citizen as to his standing in the community and that it might have some little effect. In that capacity I have written a few times.

Mr. HUGHES: To whom were the letters addressed?

Mr. BOYS: The letters were addressed to the Civil Service Commission.

Mr. HUGHES: And had they any effect?

Mr. BOYS: Well, now, my hon. friend is getting a little personal. However, I venture to say my letters have not had as much effect as some he has written.

Mr. HUGHES: Mine had no effect at all in favour of the applicant.

Mr. BOYS: Then I venture to say that my hon. friend has not been as insistent as some of those hon. members who sit beside him, and if he will just exercise a little more energy it will assist him to obtain better results.

Mr. EULER: May I ask the hon. member a question?

Mr. BOYS: I do not wish to be diverted from my suggestion, but if my hon. friend will possess his soul in patience for a moment he will have an opportunity of putting his question and I will endeavour to answer it. I am really quite serious in wishing to find out from the minister, or from anybody in authority, if I am wrong in the action I took in this matter.

Mr. KING (Kootenay): My hon. friend is quite right. I understand that the act as originally drawn and introduced into the House did prohibit a member from taking such action, but it was amended and to-day it is the privilege of a member, if he so desires, to communicate with or see the commissioners and make such a recommendation. From what we have heard from hon. gentlemen to-day apparently they have not succeeded very well.

Mr. MANION: Will the minister promise in the future to intercede on behalf of some of these letters we write?

Mr. BROWN: As a matter of fact, when an appointment is vacant the member for the constituency receives a special notice from the commission calling attention to the fact that the appointment is in his constituency.

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

THE MANITOBA AND NORTHWESTERN RAILWAY COMPANY OF CANADA

On the Order:

Second reading of Bill No. 18, respecting the Manitoba and Northwestern Railway Company of Canada.—Mr. Stewart (Humboldt).

Mr. MEIGHEN: I do not know the effect of this bill, but if it is a bill of the significance that the title indicates, it should receive some attention at the hands of the government. May I ask the Minister of Railways and Canals or whoever represents him what it means?

Motion stands.

CONCRETE SURFACING MACHINERY COMPANY

On the Order:

Second reading of Bill No. 20, respecting a patent owned by the Concrete Surfacing Machinery Company.—Mr. Chevrier.

Mr. MEIGHEN: This is the second reading, the important reading, and the sponsor of the bill is not present. There is nobody in the government who knows anything about it.

Motion stands.

PRINTING IN ENGLISH AND FRENCH

Mr. STEVENS: Might I call attention to the fact that some of these bills are not printed in both English and French according to the indications on the order paper?

Mr. SPEAKER: Nos. 20 and 21 are printed in both languages.

Mr. ARTHURS: According to the order paper that we have, they are not.

Mr. BELAND: I think the difference is that the Speaker read the numbers of the items, 20 and 21, and my hon. friend refers to the numbers of the bills. The first three bills, Nos. 17, 18, and 19, are printed in both languages. The last two, Nos. 20 and 21, are not.

Mr. SPEAKER: The first three bills, Nos. 17, 18 and 19 appear on the order paper as being printed in both languages. As to the other two, Nos. 20 and 21, I am informed by the Clerk that they are now printed in both languages and an indication to that effect was made on the sheet which I have.

SECOND READING

Bill No. 17, respecting the Alberta Railway and Irrigation Company—Mr. Jelliff.

SUPPLY

PUBLIC WORKS

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

Public works—	
Salaries..	$614,655
Contingencies..	75,000
	$689,655

Mr. MEIGHEN: When does the Calder Act terminate, or has it terminated?

Mr. KING (Kootenay): It terminated in October last. There are no more retirements under that act. Those who retired will continue, of course—

Mr. MEIGHEN: Yes, I understand. The retirements now are under the Superannuation Act, and it looks as though the flock of retirements was multiplied under that act as compared with the Calder Act. Is that a fact?

Mr. KING (Kootenay): There have been none in the Department of Public Works this year. I could not say as to the other departments, but I think not—no, none in any of them, I am informed.

Mr. MEIGHEN: There seems to have been a great exodus in the last few months under the Calder Act. I see men walking around the streets of Ottawa here in the prime of life who have in the last few months taken advantage of the retirement provision. I cannot understand why the government allows those drawing salaries from the administration to multiply. Some of them I knew in the service, and I have in mind some who

were certainly efficient a very short time ago, but they have been allowed to retire, and I presume are hoping, under a change of policy, to get a job in some other line of industry and draw the allowance as well. Of course at the present time there is no chance of that. Is the government considering economy now in any sphere except the relief of the unemployed and hungry?

Mr. KING (Kootenay): My hon. friend could not have enjoyed his dinner. As far as my department is concerned there are no retirements this year. There were fifty-seven retirements in the years 1920 and 1921. It is true that as the act expired many men, especially aged men who would probably be well out of the department as far as their efficiency is concerned, did take advantage of retirements under that act, and, on account of their age and sickness, they were entitled to it. I know that was the strict application we made of the Calder Act.

Mr. MEIGHEN: What about Mr. Drake, of the Interior department? I know that is not in your department. If he has been ill, I have not heard of it, and I certainly would be surprised to learn that he was entitled to retire of his own free will, on account of age, because he is no older than I am. That is only one case that comes to my mind at the moment. What principle does the minister follow?

Mr. MURDOCK: My hon. friend will recall that there was a considerable number of employees in the service who, under the Calder Act, could retire and secure benefits on retiring under proper conditions, whereas under the Superannuation Act those same men would not be able to retire at all and could not come under that act. Therefore, about the latter part of October last there was a considerable number of those who were old or ill, who did accept what appeared to be their privilege at that time, and chose to retire before October 31. If they had remained in the service they would have nothing in sight for themselves at the present time.

Mr. MEIGHEN: It is not they I am thinking of so much as the treasury. I do not think I recollect the Calder Act wrongly, but if I recollect it rightly, no man had an absolute right to retire under it. The government was empowered under certain conditions to accept applications for retirement under that act, and I think rather that the government was empowered to retire arbitrarily of its own will under the act, but I do not think any man had a right to say: "Here, I am going to quit work and draw my allowance under the act, no matter what the government thinks." Consequently the responsibility for the correctness of the age and other details of these retirements is on the government.

Mr. MURDOCK: If they made an application for retirement, that went to the Civil Service Commission for consideration and approval, and then came to the minister of the department for approval, the minister to sign the form that was sent to him, already signed by the Civil Service Commission; but I have understood that the onus was largely upon the Civil Service Commission to determine if the claim made for retirement by individual employees was sufficient to justify them in agreeing to the retirement of the employee, and if they so decided the minister seemed to have nothing else to do but to O.K. that proposal of the Civil Service Commission and permit the retirement.

Mr. MEIGHEN: I think the hon. minister is wrong to this extent: he intimates that all the minister had to do, once the Civil Service Commission certified as to the man's position, was to sign on the dotted line.

Mr. MURDOCK: No; after the Civil Service Commission had determined as to his age or his physical condition as entitling him to retirement,—

Mr. MEIGHEN: No, not entitling him at all. No man is entitled under the Calder Act to retire. I speak with some reserve, but very little. The Civil Service Commission would investigate his representations, and if they found them all right they would say so, and then it was for the minister to say, and I think subject to the approval of council, whether the retirement was actually allowed or not.

Mr. MURDOCK: Yes.

Mr. MEIGHEN: No doubt the responsibility was on the minister. The minister could plead and produce any evidence to justify his jurisdiction, whatever was presented by the Civil Service Commission, of course. I cannot understand in the case I have mentioned how the minister could have justified the retirement of the man whose name I have given. I refer to Mr. Drake, a man anywhere between forty-five and fifty-five, an admirable official, appointed by the government previous to the last government; but now, unless he has got a position—and he would be very lucky if he got one just now—he is walking the streets under the Calder Act, and someone else is doing his work and getting the salary. That cannot be attributable to the Civil Service Commission but to this government.

Mr. KING (Kootenay): I am not informed of that case. My hon. friend has special knowledge of it. But generally speaking the minister had, of course, discretion, but it went through a form, the application being made was referred to the Civil Service Commission who checked up the years of service and the age of the individual, the health condition, and that was all dealt with under their management, and then the matter came back to the minister and each case was considered.

Mr. MEIGHEN: On its merits?

Mr. KING (Kootenay): On its merits. I think that is the course we have been following.

Mr. STEVENS: The minister was asked last night to supply a list of the 186 retirements in his department last year together with the age, so that we might get an idea of the prevailing age at which these civil servants have retired.

Mr. KING (Kootenay): I have the list here. It is very lengthy and could be tabled for the use of members if desired. It shows the name, position, place, reason for retirement, date of retirement, age of retirement, number of years' service, salary at the time of retirement, average salary last three years, gratuity, retirement and annuity, retiring gratuity. That could be placed on the table.

Mr. STEVENS: Mr. Chairman, I realize it is a little unfair to ask the minister to give us all those details, but I should like him to take advantage of the liberty usually accorded to a minister and place the information on Hansard.

Mr. KING (Kootenay): I can do that if it is the wish of the committee.

Mr. STEVENS: Yes. I did not want to embarrass the minister at all.

(For statement see p. 887).

Mr. MEIGHEN: I have the Calder Act before me and I find the Civil Service Commission merely reports on the correctness of the facts represented by the applicant. The act says that "the Governor in Council may order that such officer shall be retired," and that "the decision of the Governor in Council thereon shall be final." The responsibility is single, it is not on the commission at all.

Mr. KING (Kootenay): The commission prepare the data, make the investigation, which is referred to the minister, and the minister places it before the Governor in Council.

Item agreed to.

AGRICULTURE

Agriculture—health of Animals, (administration and enforcement of Animal Contagious Diseases and Meat and Canned Foods Acts and necessary buildings), $1,905,000.

Mr. MEIGHEN: Can the minister tell us what kind of health the animals have now?

Hon. W. R. MOTHERWELL (Minister of Agriculture): Mr. Chairman, this vote is reduced by $95,000. Naturally the query is, do we intend to reduce our activities to that extent. Quite recently we worked out a slightly different system of appraisement of compensation for animals slaughtered for T.B. In addition to that we have ceased to give compensation for certain animals. We are not giving compensation for steers, for the simple reason that these animals can be fed and sold at ordinary beef prices. The same applies to animals affected with lump jaw, and to grade bulls.

Mr. MEIGHEN: How is it all right to fatten a tubercular steer and sell it for beef and not fatten and sell a tubercular heifer for beef?

Mr. MOTHERWELL: The steer's ultimate destiny is the block, while the female can go on reproducing her species for a long time to come before she goes to the block.

Mr. MEIGHEN: The minister has missed my point altogether, but he has not lost his wit. I have no doubt he can answer this question if he understands it. Suppose a heifer and a steer are both affected with tuberculosis. The minister says, in the case of the female animal the department makes an allowance for its destruction; but in the case of the male animal it is allowed to be fattened and sold as beef. Why not fatten the female and sell it as beef too?

Mr. MOTHERWELL: The female is a very much more valuable animal to a man building up a herd. You would be a long time building up a herd on a steer. I think we are perfectly justified. The steer can be sent to the stable for fattening and when it is sold its owner gets full value for the animal. I do not think my right hon. friend wants me to go into more minute details. If he does not know the difference between the two, I am afraid I cannot explain it further on this occasion.

Mr. ANDERSON: Is the beef of these two animals fit for food?

Mr. MOTHERWELL: Oh, yes, the carcasses are inspected at government supervised abattoirs, and if they show lesions these are cut out and destroyed.

Mr. ANDERSON: To what extent should the animal be diseased to render the beef unfit for food?

Mr. MOTHERWELL: That will be according to the judgment of the inspector. If it is too far gone, it will all go into the tank.

Mr. STEVENS: Speaking from the consumer's standpoint, a great many of these tubercular animals are slaughtered by butchers not under government inspection, and there is nothing to prevent the sale of this tainted and perhaps very dangerous meat as food in shops which handle that class of beef. For instance, I will take the city with which I am best acquainted, Vancouver. I think Swift's and Burns's abattoirs are inspected, but small dealers who slaughter their own animals are not controlled at all, their slaughter houses are never inspected. Should not some effort be made, under the heading of the health of animals, if you like, to prevent these dealers from selling the meat of tubercular cattle?

Mr. MOTHERWELL: All the animals condemned for tuberculosis by government officials are killed under proper government supervision at the regular abattoirs. The disposition of the other ones my hon. friend speaks of in the smaller districts is regulated by the town by-laws, if there are any.

Mr. STEVENS: There is no inspection of the carcass at all.

Mr. MOTHERWELL: Not on the part of the government. We could not put on a sufficient staff to go into every small place.

Mr. STEVENS: I appreciate that. But there is no inspection at all?

Mr. MOTHERWELL: It depends on the health authorities of the respective municipalities; there is no inspection by the government.

Mr. MEIGHEN: Mr. Chairman, I am still wanting to know why there is an allowance made for the female animal destined for the slaughter house if it is found to be tubercular, but no allowance is made for a male animal destined for the same place. If the minister cannot understand my question, I am going to ask the ex-minister (Mr. Tolmie) to give me the explanation.

Mr. MOTHERWELL: All countries that have adopted this system of eradication have excluded steers—the United States, for example.

Mr. MEIGHEN: Why?

Mr. MOTHERWELL: Anybody who knows anything about it at all understands the difference.

Mr. MEIGHEN: Had we not better have a minister who knows something about it?

Mr. MOTHERWELL: I should like to have a listener who knows something about it. I might then be able to explain it more easily to him.

Mr. LOVIE: What is the minister going to do with regard to the request made to him last August in the town of Carman, Manitoba, by the reeves of three municipalities in the restricted area, Thompson, Dufferin, and Roland—along with them was the Deputy Minister of Agriculture for Manitoba—that the Dominion government assist in meeting the cost of advertising the products from that area? It is true that the Dominion government gave compensation in the matter of cleaning up the herds, but the diseased herds were slaughtered throughout that territory and they think that their dairy products at least ought to be more valuable than those of the country round about.

Mr. MOTHERWELL: I remember the occasion, but I think we have gone pretty far in starting a free area there, the first in the British Empire, I understand. We have under consideration an extension of the area to one municipality north, provided they in turn do something for us. We feel that work of this nature should be worth a good deal to the locality in which it is carried out, and that they should do something to develop their live stock industry along the line of community breeding or something of that nature. We have not considered the advertising proposal as advisable. We have no money for any kind of advertising.

Mr. LOVIE: The suggestion was that the municipalities would stand a certain part of the cost of advertising, and the provincial government, through their Deputy Minister of Agriculture, promised to co-operate also if the federal Minister of Agriculture could see his way to assist. My hon. friend did not make any promise, but I am just reminding him of the suggestion that was made to him at that time to see if he feels like doing anything about it. Possibly these gentlemen would only want the services of one man and

I do not know that that would be very expensive. There is no doubt that they will be anxious to know at this time, when the estimates are going through, if they are to get any assistance along that line. It is a very live question with them

Mr. MOTHERWELL: We are working largely through the Deputy Minister of Agriculture there, Mr. Evans. I have had two or three letters from him. Anything we have had in mind is along the line of the extension of the area to the north; we have not discussed the advertising feature of it. We really could not see our way clear to go that far. I think the local authorities should look after that.

Mr. LOVIE: Does the minister promise that the municipality of Grey to the north is going to be taken into this restricted area?

Mr. MOTHERWELL: Not an unconditional promise—if they will do something in the way of community breeding. We lay down that condition. We want to avoid doing too much without their doing something in return.

Mr. LOVIE: But it is under comtemplation that the municipality of Grey will be included in the free area?

Mr. MOTHERWELL: Yes, if they comply with the conditions laid down.

Mr. BRETHEN: I believe the impression has gone out that the total vote for health of animals, something like $2,000,000, goes to the reimbursement of owners of animals that have been destroyed on account of disease. How much of this vote actually goes to reimburse owners for the loss of animals and how much to the maintenance of public health, that is, meat and canned foods and the amount expended under municipal orders?

Mr. MOTHERWELL: Roughly, the amounts are divided in this way: Contagious diseases, $1,330,000; meat and canned foods, $520,000; pathological division, $55,000; these divisions subdivided as follows: salaries, $410,000; travelling expenses, $252,000; supplies, $25,000; tuberculosis compensation, $591,000; hog cholera compensation, $4,000; glanders compensation, $7,000; mange eradication, $20,000; rentals, $7,000. The amount expended under municipal orders was $126,000. So that the amount spent for the public health rather than the health of animals would be $520,000—meat and canned foods—plus the $126,000. Of course, this is all for the health of the human race as well as for the animal kingdom. The compensation is really helpful to man.

[Mr. Lovie.]

Mr. BRETHEN: I am glad to have this distinction, because I have heard this vote for $2,000,000 referred to in its entirety as being a vote to agriculture, whereas this $646,000, as I understand it, is directly for the general human welfare, the balance going to the reimbursement of owners for the loss of animals and the expenses connected therewith. I am heartily in sympathy with this vote, and my only regret is that the government have seen fit to reduce it. I believe that the money that has been expended on the accredited herd system has been probably better spent than any other expenditure the government has made. In the last five years the results from this system and the diffusion of knowledge among the breeders of pure bred cattle concerning tuberculosis have been simply wonderful, and it has been proved beyond a doubt that if the money is expended this disease can be eradicated. There is not only a great loss in live stock through the carcasses that are condemned, but also a very grave menace to human beings. I believe that in the neighbourhood of Saskatoon something over 10,000 reactors were removed under a municipal order, and every one of these animals was a potential source of disease to the human race.

This money that is expended on the inspection of meat for the protection of the public is also well spent, but I do not think it is anything like so important as the protection of the health of the people from our raw milk supply, because practically all meat is cooked before it is eaten, and the cooking destroys the danger of infection; but raw milk constitutes a very great menace to the health of the public. There is no longer any question that a very large percentage of tuberculosis cases among human beings are of bovine origin, and I only wish there was some method whereby the knowledge that has been diffused among the breeders of pure bred cattle concerning the dangers of this disease could be brought home to the people generally, so that there might come a demand for the expenditure of large sums of public money to protect the health of the people. This may seem to be getting away from the health of animals, but there is such a close connection between the two, and you will notice that the vote takes care of both, that I think I am in order in speaking of the health of human beings on this vote. In certain sections, restricted areas are being cleaned up, but it does seem to me that the best results would be obtained if we had key herds from coast to coast in much the same way as the accredited pure bred herd system is carried on. I think

in that way good results could be attained in a very few years. It is more important to have this work done in the smaller centres, because in the larger cities there is usually a pasteurizing plant which destroys any danger of infection from the milk; but in the smaller municipalities milk is generally provided in its raw state, and if these small centres were placed on much the same basis as the pure bred herds, the public in the surrounding locality would become aroused to the danger of infection from milk. I suggested something like this about a year ago, but it was about twelve o'clock at night when the vote came on, following a long discussion on another phase of this subject. I notice that within the last few days a small municipality that wrote me last year about the subject showing an interest in the vote, has taken steps through its municipal council to provide its citizens with clean milk aside altogether from any assistance from the government. While I agree that great good can be accomplished by having these restricted areas and by municipal order taking in large numbers of cattle surrounding a city I believe that if an expenditure were made from coast to coast by this government, and certain herds that are supplying raw milk and that are a direct menace to public health were taken into an accredited herd system, very good results could be attained in a short time.

Mr. MOTHERWELL: Of course, we are limited in this work by the amount of money available. I might draw the hon. member's attention to the fact that we have over one hundred of what we call supervised herds, which include the grade herds of which my hon. friend has spoken, where a farmer will make application to the Health of Animals branch to have his herd tested by one of our officers. He does not get any compensation, but the test will show him where he stands. The inspector puts a T in the ear of any animal that reacts, and the man then knows exactly what he has got. That costs the farmer practically nothing but he does not get any compensation. There are, however, a considerable number of grade animals for which there is compensation and that is those that are associated with a small herd of pure breds. For instance, a man may apply to have a small herd of five pure bred cattle come under the accredited herd system, five being the minimum; and he may have 85 per cent of grades in that herd. We will test them in order to protect the pure breds, and allow compensation. So in all these different ways we are covering quite a bit of ground. Before we take any forward step in the direction of covering large areas or an entire province, except perhaps Prince Edward Island, we shall have to secure the co-operation of provincial and possibly municipal governments. There is no reason why the federal government should indefinitely test all these herds free for any city and the city not put up anything towards supplying its citizens with good milk; so we hope to have the sympathies of the provincial and municipal governments enlisted in a practical way, and a system of co-operation adopted that will enable us to go forward. At the moment, times are too hard for most provincial and municipal governments to dip into their treasury for even so worthy a purpose as this. In the meantime we are doing the best we can, but I look forward to having some co-operation with the provincial and municipal governments in the future.

Mr. LEADER: Like the hon. member for East Peterborough I think this is one of the most important subjects we can discuss in the Parliament of Canada, for it deals not only with the health of animals but with the health of the Canadian people. The minister has stated that we cannot enlarge on this work owing to the fact that we are a little low in funds. I think it is to the shame of the Canadian people that we cannot find funds enough to take care of the eradication of tuberculosis not only from our animals but from our children also. I am sorry the minister saw fit to increase the grant for experimental farms by $40,000, and at the same time decrease the grant for this work by $95,000; so I do not think all the blame can be attached to the Canadian people. I think the minister should have had courage enough to have given us a grant of perhaps $500,000 more, if necessary, to take care of this work, because after all, while it is a splendid thing to have ornamental hedges, flowering bulbs and forage plants propagated, it is far more vital that we conserve the health of our children. There is no doubt in the world that this disease does menace the health of our people. I have here a poster printed by the Department of Agriculture of the United States—the minister has probably got some of these in his office—depicting a little child who has been sick by drinking milk from tuberculous cows, alongside a healthy child, a child rendered healthy by drinking milk from healthy cattle. So I say not only does great economic loss result from this disease but it is a menace to public health. I have also figures in regard to the toll this disease takes and the great economic loss which it occasions in the country to the south. In the year 1923, 49,839 head of cattle were slaught-

ered and condemned on account of tuberculosis—they were condemned and thrown into the scrap heap. In the same year 88,688 carcasses of hogs were condemned also on account of tuberculosis. Now the information that we get from this report, bulletin No. 1,069, says that this is probably only about one-half of the total loss in the United States; that only about 35 per cent of the animals killed there are killed in abattoirs besides which many die from the disease. So that the loss given in this bulletin only represents about one-half of the total. I will quote a few extracts from another bulletin on this subject:

What hog tuberculosis is costing farmers

Hog tuberculosis last year sent over 25,000,000 pounds of hog meat into the condemned tanks of only the federally inspected slaughterhouses. This meat, worth, except for tuberculosis, over $2,000,000, was fit only for soap grease or fertilizer.

Hog tuberculosis in one year sent 66,000 hog carcasses into the fertilizer tank.

Hog tuberculosis causes one-fourth to one-third of the hogs shipped from certain inspected farms to be rejected for meat and to be sold at tankage prices.

Hog tuberculosis causes many slaughterhouses in badly infected districts to protect themselves against such losses by offering lower prices for all hogs.

Hog tuberculosis causes other packers to refuse to accept hog shipments from certain dairy districts except as "subject" shipments; that is, "subject" to examination for tuberculosis after slaughter.

Hog tuberculosis, therefore, is causing thousands of farmers to turn their good corn, alfalfa, concentrates, and skim milk into low-priced soap grease instead of high-priced pork.

The bulletin goes on to say that hogs contract tuberculosis chiefly through dairy cows which are also very subject to tuberculosis. The disease in the cow infects her milk system, her lungs, and her throat with tubercle bacilli.

I have looked over the report of our inspector general and I have compiled some figures which I wish to give, but in doing so I will be as brief as possible. In 1924 we had 11,470 beef carcasses condemned. Over 50 per cent of these carcasses were condemned on account of tuberculosis. At the same time 5,450 carcasses of swine were condemned, and 75 per cent of these carcasses were condemned on account of tuberculosis. I have figured these 5,735 carcasses of beef at a value at $50 a carcass, so we have there a loss of $286,750. I have figured the hog carcasses as worth $18 a carcass, and the total value would be $73,566. So there we have a total loss of $360,316. If we apply the same principle to these figures that is applied in the United States they only represent about one-half of the total loss. If you consider that we paid out only a little over $500,000 on account of the accredited herd plan you can readily see that the economic loss was greater than the amount represented by the monetary payments. And yet some people have the temerity to get up and assert that we are paying out millions of dollars to eradicate this disease. As a matter of fact we are not paying out millions of dollars, we are only paying out a few hundred thousand a year. Moreover we are accomplishing something through these payments, a fact which the critics referred to ignore.

Now, can we eradicate bovine tuberculosis? I have figures here which will prove beyond a doubt that we can eradicate tuberculosis if we take hold of it man-fashion. Under the municipal testing order in 1923 we tested 54,301 head of cattle, of which 7,976 reacted. The percentage of reactors was 14.7. In 1924 we tested 60,967 head of cattle, there were 3,214 reactors, and the percentage of reactors was 5.3, less than one-half of the number of reactors in 1923 although 6,666 more cattle were tested.

Then under the accredited herd plan which is now in operation, in 1923 we tested 52,548 head of cattle. Of this number 5,484 reacted, and the percentage of reactors was 10.44. In 1924 there were 86,174 head of cattle tested. The number which reacted was 7,343, and the percentage of reactors was only 8.5 although there was an increase of 33,626 in the number of cattle tested, and the cost was less by $2,390 than that of the previous year. This is accounted for, to some extent, by the reduced compensation paid, but mainly by the decrease in the number of cattle which reacted. These facts go to prove that we can eradicate bovine tuberculosis when we tackle the problem in an aggressive way.

We have another method in operation in this country—the restricted area system. We have, so far, not branched out very far in that direction but I have some illuminating figures here. In Manitoba the number of cattle tested was 16,550. The number which reacted was 992, and the percentage of reactors 5.8. I have not the figures of all the other tests, I believe there were two others. The first test cost $3.50 per head. The cost of the last test was reduced to 50 cents per head. I think the percentage of reactors was less than one per cent at the time the last test was made. Therefore I make the claim that we can eradicate bovine tuberculosis if we go at it in an aggressive way, and we can save money too if we take hold of the matter in an effective way in time.

The United States have undertaken this work to a greater extent than we have in

Canada, and here let me say that I am sorry the Canadian government does not take a more aggressive stand in connection with this work. We have one plan whereby application can be made by anybody who wishes his herd to come under test. Ap-

9 p.m. plicants are given every assistance by the department. An inspector is detailed on the work free of charge, tuberculin is furnished free of charge, but in the case of any reactors the owner of the diseased cattle does not get any compensation. I want to say that that plan of the government is flourishing, but in the case of the municipal testing order no further new herds are being taken on, and so the work is being curtailed to a certain extent.

The accredited herd plan is not being pushed, in my judgment, as it should be, because we have reduced the vote this year to take care of that work. The restricted area plan is not going ahead as it should. I am informed that we have instituted one such area in Quebec within very recent months, and the government has undertaken to carry on work on this line still further. In contrast to what we are doing, the United States are working very vigorously to eradicate the disease and have appropriated $2,000,000 more this year than they did last year. They have got over ten million head of cattle in the free areas, and they have 485 counties where the plan is in operation and 55 counties where the herds are free from tuberculosis. Therefore I must express my regret that our government are not keeping step with the United States in this great work. We should be acting on some international plan, we should not only be working in co-operation with the United States but trying to keep up with their efforts. When the United States are taking definite steps to eradicate this disease, we should endeavour to keep pace with them. A method adopted by the United States is that they will not pay compensation for breeding cattle, or cattle affected with actinomycosis or in simple language lump jaw. We find that the Canadian government has accepted that plan and has put it into the regulations. The United States have another plan. In that country, owners of grade herds can come under the accredited herd plan and take advantage of it in the same way as owners of pure bred herds. I have always wondered why there was this gross discrimination in not accepting grade herds as well as pure bred herds in this country. This seems a little like one law for the rich and another law for the poor. Again I am making my plea to-night that the government accept applications from owners of grade herds as well as from owners of pure bred herds. I am glad to hear the minister say that he is willing to go on with this work, and I hope the government will, in future, undertake a more aggressive compaign to stamp out this disease which is one of the most loathsome diseases affecting mankind.

Mr. MOTHERWELL: I like to have this testimony from the hon. member for Portage la Prairie (Mr. Leader), because we all recognize that he is a practical live stock man and knows what he is talking about. With regard to the accredited herd plan not being pushed, I do not suppose we are out advertising it, but the complaint comes from Alberta that we are pushing it too rapidly. My hon. friend understands the circumstances. They complain that our inspectors go around canvassing for these herds.

Mr. LEADER: I see no evidence of that.

Mr. MOTHERWELL: I am glad my hon. friend says that he sees no evidence of it. We have enough to do without advertising for new herds. When the committee learns that we have 180 herds waiting to be tested, it can readily understand that there is no need of unduly advertising for new herds in Alberta or anywhere else. These applications are coming in at the rate of about forty a week, so that we are behind the applications only about four and one-half weeks. We are therefore reasonably well up to the work. As regards the other places, we try to take them along parallel lines. There is only one area in Quebec, but it takes in a little more than two counties. We have completed the first go-over, and we shall soon have more men liberated so that we shall be able to catch up with these 180 applications. I do not think we can hold out any hope of grade herds being taken on just now, except those that I referred to a few moments ago that were in the same class as the small herds of pure breds. Where a man has, say five pure breds, 85 per cent of grades will be taken on in order to clean up the bunch. I have sometimes wondered whether we are justified in going that far. There is, however, no use in testing such a man's pure breds unless you test his grades and get them cleaned up too. But it is going quite a distance to help the man with a small bunch, and he should proceed along the line of increasing his pure breds rather than of making them an excuse for having his grades cleaned up. I think some are taking a little advantage of that provision for the purpose of getting their grades cleaned up.

There is a very obvious reason why the accredited herd system was devoted to pure bred herds first. It was because of the large number of sales of pure bred animals scattered throughout the Dominion. If any of them had tuberculosis, he would be a much more serious disseminator of the disease than a grade animal that stays at home. If we had abundance of money for this work, I suppose we would be justified in taking up individual grade herds, but I would rather deal with the areas because you get a solid block then. We have nothing like the percentage of infected animals in Canada that they have in Europe or Great Britain. In the first area that we tested, the percentage of reactions was not quite 6 per cent. Then we got it down to one-half of one per cent. Now it is down to one-third of one per cent. In the last area at Huntingdon, in the first test the percentage was between 8 and 9. They have done some of the second test and that shows about 2 per cent of reaction. Consequently, we have not the great difficulty that they have in European countries where sometimes the percentage will amount to three-quarters of the entire number. They are simply throwing up their hands, because they would have to clean out the entire herds. We can pursue a system of eradication without serious loss to or reduction in the herds because of the small number of reactors, though, of course, some herds will be hit seriously.

In the meantime, the problem of the live stock and veterinary world is to find some immunizing vaccine to treat the young calves with and immunize them from disease later on, if possible all through life. Some progress has been made in that respect by what is called the Calmette vaccine, but that immunizes for only from twelve to eighteen months, and only animals not previously affected by tuberculosis. The work is being prosecuted at the labaratory and in isolated herds on the other side of the line. All the veterinary laboratories throughout the world for the last twenty years have been concentrating their activities on getting an immunizing vaccine that can be used in treating the animals when they are young rather than depending upon eradication by slaughter entirely. Some of us may live to see this consummated. It may come quite quickly. Some man may be fortunate enough to discover it whom we are not watching at all. Men with great reputations like Calmette, Vallee and Smith and others may be outrun by someone who has not yet been heard of. It is not a matter of luck, but sometimes these things are dropped upon quite unexpectedly, and that may occur. But even if that does not occur, the regular men who are looked upon as being in the forefront of this work, are steadily making progress towards the desired end.

Mr. LEADER: I should like to take this opportunity of replying to the minister's statement that great pressure has been brought to bear upon the government to discontinue this work from certain sections of the country. I know that is a fact. I attended the conference of the Western Live Stock Union at Calgary this year. The deputy minister was also present. I want to pay this tribute to him, that he withstood the attacks of some of those, shall I call them fanatics, from the province of Alberta. I want to congratulate him for undertaking to stand four-square for this work in face of those attacks. The minister mentioned that he thought the provinces should co-operate with the federal government in connection with this work. He will remember that I have always taken that stand. Although I am from Manitoba, I am quite prepared to go back and take the responsibility for saying that I believe the province of Manitoba should make provision to pay some of the compensation for animals that are slaughtered. We should have the co-operation of the provinces and of the municipalities, and we must have the co-operation of the breeders too if this work is going to be a success. I am convinced that we can eradicate tuberculosis if we go at the work in an aggressive manner. We have succeeded in eradicating glanders and certain other diseases by simply going after them aggressively. I am sorry I am not a veterinary surgeon or I could use those scientific terms. It will take a long time and a good deal of money to eradicate tuberculosis, but if we roll up our sleeves and put our backs into the work, I believe we can eradicate it also.

Mr. MacLEAN (Prince): I was glad to hear the minister refer to the little province of Prince Edward Island and say that he thought it would lend itself splendidly to a disease-free area. This matter was brought up last year on this vote, and I pointed out to the minister that we had requests from that province that disease-free areas should be established there. Since then the matter has been taken up by the Department of Agriculture of that province, and they have sent large petitions, I think, to the department here. I believe the whole province is looking to have it made a disease-free area. As we are not too flush of money down there, I hope it will not be left over until the time

when each of the provinces will have to bear a proportion of the cost, because it would be a great handicap in having the work done. I may say that our province has made splendid progress in dairying and splendid herds have been established there. We have a number of accredited herds, and some of our stock sold exceedingly well. I met a gentleman here a few days ago from our province who told me that he sold Holstein cows to a farm near here for $1,000. In the light of these facts I think the department should give every attention to the request that has come in from that section. Of course it may not be very good advertising to publish the figures quoted here to-night, but the hon. member from Portage la Prairie has certainly brought home to the committee very vividly the fact that we are losing more money by not attending to this than if we throw some more money into it and have it properly done. I hope those who have the health of their fellow citizens in this Dominion at heart, as well as the great agricultural and dairying industries of our Dominion, will see that this is a very important work, and that no vote that will ever be presented in this House having this object in view will ever be challenged or in any way interfered with I sincerely trust the minister will give every attention to the request that has come from the province of Prince Edward Island.

Mr. MOTHERWELL: Having regard to the apparent likelihood of the vote going through safely, I feel that I could have a better idea how to lay out next year's work when we get it through council. In addition to that, the area in Quebec has been completed. It is the first "once over" and we have that off our hands now. I cannot make any hard and fast promises, Mr. Chairman, because after all a certain amount of duty devolves upon the provincial governments in this matter. They have to undertake to prosecute the matter in respect to organizing the campaign, and have to do some compulsory work, where the farmers refuse to have their cattle tested. The Dominion has not the power of compulsion in that regard. We cannot make the statement that we are going to do thus and so when we are co-operating with another government that is to do so and so, before we can go ahead. Two years ago when I was out at the coast I discussed this question with the premier, Hon. John Oliver, and at that time it struck me that the two best areas to conduct these accredited herd operations, because of their natural boundaries, would be Vancouver island and Prince Edward Island, one at one coast and one at the other. The great trouble with the Carman area was its lack of natural boundaries, and the difficulty of keeping the line of demarcation between what was cleaned up and what was not cleaned up, and travelling back and forth for various reasons; but in the case of Vancouver island or Prince Edward Island, you have a perfect water boundary, and I felt that as soon as the money was available these two areas would be taken up next. I think Prince Edward Island will come first, because this last year or two particularly all the federal members from Prince Edward Island, particularly the hon. gentleman who has just spoken (Mr. MacLean), his colleague from the same riding and the other two members from the province, have been pressing this matter upon me and have assured me that the time is ripe in Prince Edward Island for cleaning up the island and converting it into a Canadian Jersey island. In this island they have practically no T.B. They have one breed of animal and one breed of cow and they have practically no T.B. in the island. Why can we not have a Canadian Jersey island? We cannot hope to have one breed in Prince Edward Island, because there would be a terrific struggle as to which it would be, but there is no reason why we cannot have a Jersey island as far as T.B. is concerned. If we could do this we would have a stimulant, and we could say, "Well, we have one province cleaned up." The same may be said of Vancouver island, but it is a larger area and there is more hinterland, and it would be more expensive to go to the remote points. These are two points we have in mind, and I think everything else being all right and others playing their part in it, there is no reason why we should not take up the matter in Prince Edward Island as soon as possible this summer. That would make one restricted area in the Maritimes, one in the central provinces, one in the prairie provinces and one in British Columbia. That will give us an idea of the probable expense it would be to tackle the country as a whole. We will have some data to place before the municipal and provincial governments as to the cost, as to the percentage of reactors—that is the second and third test—before we would start the campaign. That is the position we are in, and I feel very gratified that the expense is not terrifying us. I may say, however, before we can undertake the campaign in the province of Prince Edward Island we will require to have the wholehearted co-operation of everybody that we have been referring to. They will need to get right behind us.

Mr. LEADER: Is the plan in the United States not this, that they will not take on any work unless the state or municipality or county, or whatever it is called, agrees to pay an equal amount in compensation?

Mr. MOTHERWELL: Yes, I think that is the position, but we do not want to impose that condition at this stage in our country. This is educational work really. The reason we started in Manitoba is that that is the first province that made the request. I happened to be discussing the matter with my staff when Mr. Evans came to see me at my office and it was purely a matter of accident where we should start. I only know incidentally that Carman is located in the constituency of the hon. member for Macdonald (Mr. Lovie). I am not quite sure.

Mr. LEADER: In regard to the natural boundaries, it will be quite easy to extend this Carman area in Manitoba, especially northward. The county of Portage la Prairie borders on the Carman area. Already in that area 75 per cent of the cattle are now under test. I think I am right in making that statement. I think Dr. Fasken, our inspector at Portage la Prairie, has 43 or 44 pure bred herds under his supervision, and I think almost 40 are now accredited, and when I make the statement that 75 per cent of the cattle are now under test hon. members will see that it would be an easy matter to extend the boundary northward in the county of Portage la Prairie.

Mr. GOOD: Could the minister give us any information as to how far unsanitary conditions are neutralizing this work?

Mr. MacLEAN (Prince): I thank the minister for the sentiment that he has thrown out, and the statement that he is willing to consider the request from our province. I was very much interested in hearing the gentlemen who addressed the committee on agriculture yesterday and for the information they gave us, especially along this line of vaccine. I think that is one of the most important things that can possibly engage the minds of the men who are looking into this matter at the present time. We all hope something along this line will be discovered which will supersede the present system, but in the meantime I wish to thank the minister for his cordial reception of our request, and the intimation that same will be considered.

Mr. MOTHERWELL: Replying to the hon. member for Brant (Mr. Good), I have not any exact figures to show how far this good work has been neutralized by unsanitary stable conditions. I do not think it is as large a factor in the bovine as it is in the human. I believe average stabling is all right for maintaining the health of animals, but if we neglected our housing conditions to the same extent there would be greater danger of tubercular infection. But there is no question that the better the stabling is constructed the greater the tendency will be to eliminate the disease or to prevent it from getting a footing. Our best veterinarians are of opinion that stable conditions are not the big factor we thought they were in respect to the prevalence of tuberculosis among cattle. The very fact that we have found tuberculosis in our buffaloes that never were in a stable shows that the veterinary authorities have good grounds for their opinion.

Mr. GOOD: Has the department made any investigation along that line to find out how important a factor stabling is?

Mr. MOTHERWELL: We have no data.

Mr. WARNER: Mr. Chairman, I do not claim to be one of the fanatics, but the Alberta stock men having been referred to as fanatical, I desire to say a word or two on T.B. testing. In my district hundreds of cows are sent to the block on account of reacting to the tuberculin test. We have cleaned up that district, and we want to be assured that untested cattle will not be sent in there. I have a lot of faith in the efficacy of vaccination to control tuberculosis, but we are not ready to abolish the present system until we know more about the merits of vaccination. These merits have not been proved yet, but I want to commend the government for the research work they are conducting or the benefits that may be derived from the adoption of vaccination in place of the present system of T.B. testing. I have been a stock man all my life, and I have always found it better in every way to keep my stock healthy rather than try to cure them when they became sick. We want to prevent T.B. Like the hon. member for Portage la Prairie (Mr. Leader) I regret the reduced vote, and I would very much dislike to see the work neglected or the present system slackened in any way until we have a better one to take its place, but we have to trust the department. In a dairy district it is perhaps a little more difficult to keep a restricted area clean of tuberculosis because infected cows are being continually weeded out and others are being brought in from outside districts. Therefore I would impress upon the government the necessity of having every animal tested before

it is allowed to be brought into a clean district, and I believe the department is fully alive to the importance of this protective measure. The city authorities of Edmonton are encouraging dairy men to send in milk from tested, healthy cows, and the greater part of the milk used in the city is pasteurized, but some small dairy men are peddling unpasteurized milk. The city authorities want all milk pasteurized in order to guard the people against tubercular infection, and I do not think we can be too careful in this respect. As I understand the new method, the calves should be treated with vaccine just as soon after birth as possible, and before there is time for the disease to develop, because it is thought they do not inherit tuberculosis. Therefore vaccine is used to prevent the calf taking the disease from the mother's milk or becoming infected in any other way. As I said before, I do not want to be considered fanatical, but I do not feel it is fanatical to encourage the use of vaccine to prevent tuberculosis instead of continuing the present system of T.B. testing indefinitely.

Mr. MOTHERWELL: Even with this vote reduced we hope to do just as much work this year as we did last year, not only for the reasons I have indicated but because the work is better organized. In Quebec the percentage was larger than we expected it to be; in Prince Edward Island I am sure the reactors will not be over four or five per cent, perhaps less. In fact, some hon. members from Prince Edward Island have suggested that it will be as low as two per cent, but I do not hope for that. In any case it will not be as expensive an undertaking as the work in Quebec. We have taken on a good deal more work since the embargo on Canadian cattle was removed. We are obliged by the British law to put a man on every cargo of cattle, and these veterinarians keep the animals under observation all the way across to the Old Country. So that without any addition to the staff we have taken on that new work and are still continuing the old. I assure my hon. friend that the work will not fall back or be neglected; it will be pressed forward and be quite as strong as it was last year. The vaccine to which my hon. friend refers is being tried out on herds in our laboratory over in Hull. Many other discoveries of this nature are placed before the public from time to time; every few weeks the newspaper despatches indicate that somebody has at last found an immunizing vaccine that will prevent the development of tuberculosis in cattle. Two or three weeks ago a despatch appeared in the press to the effect that a very powerful disinfectant had been discovered at the Johns Hopkins institution at Baltimore which would kill the bug in the animal without destroying the flesh of the animal, something several hundred times stronger than the ordinary disinfectant. Well, that is almost incredible, but there may be something in it. The hon. member for Qu'Appelle has a friend in his riding, a veterinary at Indian Head, who insists that he has a cure not only for bovine tuberculosis, but for tuberculosis in human beings. We would need a stable from here to the Chateau Laurier to test out all these alleged cures, to say nothing of the money required, but we do go as far as we can in that direction. We are doing all that is humanly possible to promote research work, notwithstanding the inadequate facilities we have for it here in Ottawa. There is not a more slovenly system of departmental buildings in the whole wide world than those used by the Agriculture department right in this capital. We have to make our vaccine in an old house down here on what I will call Slum avenue, between Wellington street and the river, and the research work, so important, is being carried out by Dr. Watson in a laboratory in the house in which he lives. These are not proper conditions and we are trying to correct them. Perhaps we should go faster, but if you knew how I had to sweat to get this much you would feel gratified that it is not less.

Mr. WARNER: I want to thank the minister for the information. I am glad to hear that he is able to do the work just as effectively with less money. There seems to be a fear in my part of the country that the present system of tuberculin test will be discarded before the merits of the new method of tuberculin test by use of vaccine, have been proven to be satisfactory. I hope that will not be the case.

Mr. MOTHERWELL: Oh no, that will not be done. My hon. friend has heard the old adage "It is best to be off with the old love before you are on with the new." I think that is sound doctrine.

Mr. LUCAS: The minister stated a few moments ago that he was receiving complaints from Alberta that this work was being pressed too strongly in that province and that a number of veterinarians who were engaged in the work were occupying their time in canvassing and advertising. Would that be due to the fact that there are more men there than are necessary for the work? How many veterinarians are engaged in this work in the Dominion and how many by provinces?

Mr. MOTHERWELL: From memory I would say there are about 150 in the Dominion as a whole. Judging from the discussion this afternoon you would think every minister was trying to pad his staff to the very limit but instead of that we are keeping the staff of this department down to the point where we are in danger of losing efficiency. We have appointed practically no veterinarians for several years although we have taken on a lot of new work. In fact, we are at the point where we shall soon require more.

Mr. KNOX: A few nights ago, when we were concluding the discussion on the live stock item, the minister promised that if there were any fag ends of that discussion left over we would have an opportunity of taking them up on this vote. I have had protests from farmers' and stock growers' associations in regard to the rates charged by commission men at the stockyards for handling stock. Has parliament any control over these rates?

Mr. MOTHERWELL: Yes. The rates are fixed by the live stock exchanges, but they are submitted to this department for approval. The rate is now $17 per car. That is higher than it used to be, but everything has gone up since the war.

Mr. KNOX: I would like to point out that it was during the war years when the price of cattle went so high that these rates were raised to their present level. Since that time the price of stock has been reduced until now it is not much more than one-third of what it was then, and yet the charges by the commission men on the yards remain just the same as when cattle prices were at their peak. I think it is advisable that some steps be taken to have these charges reduced to something like the former level, or at least that they be brought down very considerably from what they are to-day, for certainly it is not very encouraging to men who are raising live stock to have to pay these high charges on the yards.

Mr. MOTHERWELL: We will look into that. The question has been up several times, and the consensus of opinion on the part of those who had to do with the other end and of the officials of the Live Stock branch seems to be that the charge was justified. My recollection is that the pre-war charge was $12.50.

Mr. KNOX: Something like that.

[Mr. Lucas.]

Mr. MOTHERWELL: If that is so, the increase is not so excessive as it has been in some other things. I can remember when the rate used to be only $10, but that was a good while ago. However, I will look into it and have the question reviewed.

Mr. THURSTON: Are the charges the same throughout the whole Dominion?

Mr. MOTHERWELL: No, they vary with the yards.

Mr. KELLNER: Would the minister quote the charges for the various yards?

Mr. MOTHERWELL: We have not the record here, although we have a record. The live stock exchanges set the rates, and they are submitted to us for approval.

Mr. KELLNER: I thought the minister said his department controlled the rates.

Mr. MOTHERWELL: We do. The rates are referred to us in order that we may prevent extortion; but we do not set them. The exchanges set the rate and submit them to us for approval or otherwise. This Live Stock Products Act has only been in force two years now.

Mr. HOEY: The department has the power to reduce rates if they see fit?

Mr. MOTHERWELL: We can refuse approval, but I do not think we can impose rates. We can send them back for reconsideration.

Mr. KNOX: Then I would suggest that they be sent back because at the present time they are much too high compared with the price received for cattle.

Mr. MOTHERWELL: I have seen a few references in the press about the charges, but my recollection is that there has been no serious complaint yet through the ordinary medium. However, I shall look into the whole matter, not only the rates at the western yards but at the eastern yards as well.

Mr. LUCAS: Is the minister able to give me a reply now to the question I asked a few moments ago?

Mr. MOTHERWELL: My deputy has not been able to look that up yet, but it is around 150.

Mr. LUCAS: The feeling in my district is that there is a great deal of over-lapping not only in connection with this work but in all the other departments as well. I think if the minister would co-operate with the provincial governments and eliminate this

over-lapping, a reduction in these estimates could be made. Work that the provincial governments can do by reason of their proximity to the field might well be left to them, and other work by conference could be assigned to the Dominion government. Has the minister done anything in regard to trying to bring about that co-ordination of work, not only in connection with experimental farms, but the other branches of agriculture we were discussing last night.

Mr. MOTHERWELL: Yes, we are working along these lines in Alberta and every other province, but I hope my hon. friend does not get that idea of over-lapping into his head so much that he cannot get it out. No matter how you arrange it, where you have agricultural activities carried on by both federal and provincial governments, you can draw no possible line of demarcation except by friendly understanding. I think I explained the other night that generally the provincial governments look after productive activities, and the federal government after the health of animals and the grading and marketing of products. I am in correspondence with all the western ministers of agriculture, not only with respect to these matters, but also with regard to the grading of hogs and other matters. I can assure my hon. friend that our veterinaries are not tripping over each other or over anybody else either there or anywhere else. I went up to Calgary last fall and attended the feeder show, and met Mr. Hargreaves, the chief inspector at Medicine Hat, and a number of the other veterinaries and a number of Alberta people, and I heard no suggestion except on the part of about half a dozen breeders that there was any over-manning or over-lapping. There are about half a dozen breeders in Alberta who have not very much use for our veterinaries; I do not know whether that is to the discredit of the veterinaries or not, but I rather think not. I think the work is being done well in spite of the opposition that is being met in a few quarters. I might say further that while the remark made by the hon. member for Portage la Prairie regarding our activities was made in a more or less playful way, I can assure him that Alberta as a whole is just as sound on this question as any other province. There are a few kickers there; there are always a few who will make quite a kick. Maybe that helps to keep the rest of us alive and on our toes. I have a great respect and a great appreciation for a healthy kick if there is anything to kick about, but when there is nothing to kick about, it is about time to call them off, and that time has about arrived for that bunch.

Mr. COOTE: Is it not a fact that The Western Canada Live Stock Union two years ago at Victoria passed a resolution asking the government to discontinue testing beef animals?

Mr. MOTHERWELL: I think they did something like that at the tail end of the convention when nearly everyone had gone home or was checking out or something like that. My hon. friend knows how at the tail end of a convention, not only a farmers' convention but a convention of any kind, a resolution can be slipped through when nearly everybody has gone home. That is the way it was done there. But I do not see the hon. member for Portage la Prairie (Mr. Leader), here just now. He would give you a picturesque picture of what happened if he were let loose. But that never happened again. Very good care was taken that that resolution never got through the live stock union after that. It was simply a "put over." The associations of both Manitoba and Saskatchewan gathered together shortly after that, gave two or three war whoops, read the riot act to the officers of that organization, and told them that unless they conducted themselves a little differently the associations of other provinces would withdraw from the union altogether.

Mr. COOTE: I rather gathered from the remarks of the minister that the Western Canada Live Stock Union was not very sound, and I was wondering what his definition of the word "sound" was. If "sound" means that you must always agree with the department here, even as to the proper method of testing cattle, of course those men were not "sound." I must admit that I do not know a great deal about this question of testing cattle for tuberculosis, but I do not think that even the minister would deny that they have killed thousands of beef animals as reactors, and after the cattle were slaughtered they could find no sign of disease in the animals.

Mr. MOTHERWELL: No, I do not admit anything of the kind It is not a matter of what we think at all. This whole business is entirely voluntary as far as the live stock men are concerned. We do not force them to adopt this plan, we do not even suggest that they should go into it. The merits of the system are what appeal to the live stock men, and they voluntarily come to the government and ask that their herds be brought

under the accredited system. I hope my hon. friend sees the distinction. Far from us forcing or imposing the system on anybody, their entrance into it is entirely and purely voluntary. However, the system possesses such undoubted value to the prospective buyer of live stock, at least in western Canada that the live stock men have laid down the condition that before an animal is put up for sale it must be tested and given a certificate of health. This is a regulation adopted by the live stock men themselves and not by the government. I hope my hon. friend the member for Macleod (Mr. Coote) will understand the difference. We are not imposing anything czar-like on the people at all. We are very glad to serve them in the matter of T. B., or anything else, if they make the request, that is all.

Mr. COOTE: I must say the minister has just used very different language from what he did a few moments ago when he told of reading the riot act to these poor people.

Mr. MOTHERWELL: Well, my goodness! Is my hon .friend as deaf as myself? I was describing what the live stock associations of Manitoba and Saskatchewan did to the live stock union, not what we did. My hon. friend had better get a few more apples on the scene.

Mr. COOTE: Anything for a red herring.

Mr. MOTHERWELL: There is no red herring being drawn across the trail here. Go on with your discussion on this question. We will not talk about apples; we will confine ourselves to a discussion on T.B. in cattle as long as my hon. friend likes.

Mr. McCONICA: Does the department of hog grading come under this vote?

Mr. MOTHERWELL: No.

Mr. McCONICA: Does it, or does it not?

Mr. MOTHERWELL: No, it does not, but according to the arrangement the other night we intimated—I think in a moment of weakness—that the live stock question would be discussed under the vote for the Health of Animals branch. My hon. friends took advantage of it the other night in connection with experimental farms. However, we will let the matter go.

Mr. McCONICA: Is the minister satisfied with the system followed by his department? I think the object is a very worthy one, but so far as my observation has gone the system is not attaining the end that is sought. We are grading hogs with the idea of encouraging the farmer to raise a different type of hog, of enabling him to get a higher price for the select bacon type. Now, in the district where I live our hogs are sold to shippers.

Mr. MOTHERWELL: Drovers?

Mr. McCONICA: Yes. I have inquired of hundreds of men, but I have never found a single farmer, with one exception, that ever got a cent more for his bacon type hog than he received for his other hogs. The grading is done at the stockyard, and if there is any extra money paid it goes to the drover and not to the farmer. So the department are not succeeding in their efforts to encourage the farmer to raise any different kind of hog. The system is wrong in its application, in some way or other, and I should like to know if there is any probability of its being changed in order to accomplish better results.

Mr. MOTHERWELL: I think my hon. friend must have been absent the other night when that subject was discussed very well. However, what I said then will bear repeating possibly. The system is not a perfect one, in which respect it is like the system for combating T.B., but it is an attempt to do something along the line of grading. The correct system is that of grading hogs on the rail, but our country is too large, our abattoirs too far distant, our settlements too widely extended to adopt the plan just as it is followed in Denmark. However, we are trying to do the next best thing, and that is to introduce the principle. This grading is made in two classes—thick smooths and selects. The other grading is a matter of arrangements between the buyer and seller. The reason the average farmer who sells to the drover does not receive the advantages he should is that the drover buys on a flat rate basis. He does not grade the hogs, he buys them at a flat rate, and if he happens to get any selects among his purchases he is in that much, there is no doubt about that. But the same thing could be said in regard to wheat or any other product, if the farmer refuses to adopt up-to-date methods. In Saskatchewan when I left there they had over 400 live stock shipping associations—I do not remember whether my hon. friend had any in his constituency, I think he had—but there were that number of shipping associations acting in agreement. Under this system the farmers would telephone each other and have a day for shipping. They would bring in their hogs or their cattle, as the case might be, fill up a car, and send one of their

10 p.m.

number down to Winnipeg or wherever the hogs were going. He would attend to all the details and he and his associates would get the benefit of the present system of grading. If the farmer does that he will get the same benefit, but if he sells to a drover he will not get that advantage. As the drover profits in the latter case he discourages the whole idea, and convinces the farmer that there is nothing to the grading system. As long as the farmer sells to the drover he certainly will not get the benefit of the grading. But whenever the farmers get together a carload and send a representative with the car down to Moose Jaw or Winnipeg, or whatever point the hogs are intended for, they will get the benefit of the grade, to the extent sometimes of 10 per cent in the case of selects over the other type. Very little attention was paid to breeding bacon hogs the last few years; especially during the war, a great many of our hogs were of the fat chunky type, not of the bacon type. It is the type of animal which makes bacon that commands the price and meets the competition in the British market. But the department has not been imposing its will on the country. This plan was adopted by the Department of Agriculture, in conjunction with the Hog Breeders' Association in the fall of 1921. My predecessor arranged the plan I believe in this system, and neither the credit, nor the blame if there be any, should be ascribed to me. However I want to associate myself with the men who worked it out. I believe it is a step in the right direction, and that it accomplishes some good for those that it has reached. Those whom the system has not reached do nothing to help themselves; they sell in the old way to the drover. I do not know how we are going to reach those.

Mr. JOHNSTON: The minister said that the proper place to grade bacon is on the rail. Probably that is where the difficulty lies with respect to hog grading at the present time. The producer of hogs, whether he sells them to a drover and they are sold by that drover to the abattoir, or whether he ships them co-operatively, as was spoken of by the minister, is not satisfied with the grading as it is at present being carried out. I could tell the minister of a district where the people have what they believe to be the true bacon type of hog. When this regulation became effective, they got rid of their lard type of hog and purchased the Yorkshire breed of hogs which, I believe, the minister will admit is a bacon type. Shipping co-operatively, however, they are not getting more than one, two or three per cent of select hogs out of a carload. I believe the producers of hogs in this country are fully alive to the fact that we want to produce a first-class bacon hog if we are going to get the best price in the British market, but the producer when he produces that hog wants to know that he is going to get fair treatment at the hands of the grader. The only way to do that is not to kick this thing overboard, but to follow it through and to have these hogs graded on the rail as the minister spoke of doing. Our cream is graded into the creameries and our butter is graded out of the creameries. It seems to me that this matter will not be settled until the same percentage of No. 1 hogs goes into the abattoir and the producer is paid for that as No. 1 bacon goes out. If the minister gave some thought to that phase of the question, he might find a remedy.

Mr. BEAUBIEN: The minister said a moment ago that the drovers discourage the farmers as to the grading. There is no need of that, because the farmers are disgusted with the grading proposition. I live in one of the oldest districts of Manitoba along the Red river where we have improved our hogs according to the instructions given by the different authorities on this subject, and we have produced bacon type hogs. But when the grader gets through with them, you do not get any bacon type, you get thick smooth. The farmers to-day are simply disgusted with this grading because they feel that the people who are taking advantage of this grading proposition are either the dealers or the packers. I know in my district the people are not going to raise any more bacon type hogs. They are going to raise thick, smooth hogs because they do not get any grade other than that even if they actually raise the better grade.

Mr. MOTHERWELL: They have the option of raising any kind they like.

Mr. BEAUBIEN: Yes, but no matter how select your hog may be, you are at the mercy of the grader there, and I know of carload after carload of bacon type hogs shipped under the co-operative system where, after the hogs were graded, the producers did not get any selects. All the farmers would get together and one man would take the hogs to the abattoir. It does not take a farmer of extraordinary intelligence to tell whether a hog is bacon type or not. The average farmer who raises hogs can tell, but if you take the market returns in Winnipeg, you will find that the percentage of selects is very small.

Mr. MOTHERWELL: Possibly my hon. friend knows that this matter is going to be discussed before the committee on Agriculture on Tuesday morning and every opportunity will be given to thresh it out. In the meantime, I assume that the objection of my hon. friend and of the hon. member for Last Mountain (Mr. Johnston) is that the hog producers are at the mercy of the grader. You have to choose between being at the mercy of the grader and being at the mercy of the packer. Which will you choose? Does the hon. member suggest that the graders are not competent?

Mr. BEAUBIEN: It seems so by the way they grade some of the hogs I have seen them grade.

Mr. MOTHERWELL: I am afraid that will bring us back to the Civil Service Commission.

Mr. BEAUBIEN: Then abolish the Civil Service Commission.

Mr. MOTHERWELL: I do not wish to pass the buck on to them, but in this case I do not think the fault is that of the commission. It is a matter of opinion what constitutes a select bacon hog. There have been very few complaints as regards the character of the graders, and I think they are a capable set of men. The farmers have been accustomed to raising any kind of hog and they do not like not only to have to grade an animal, but to feed it to get it into the select class. Any grading system is objectionable to people whose article is of low quality. If we cannot get into the top grade of wheat, you know how disappointed we are. Remember what disgust there was at the grades of wheat this last fall. Remember what objections were raised to the grading of cream at first. I remember when we started grading in Saskatchewan, many people took their cans out of the creamery and sent their cans down to the Crescent creamery at Winnipeg or Brandon. After a while, they came back. We shall not do our best in the matter of production of hogs or anything else until we realize that in order to get the top price we must have the top grade. If people do not want the top grade or the top money, this is a free country and they can do what they like. In the corn district of western Ontario, they find that it pays them better to raise the fat hog, and they deliberately do that because they are in a corn country.

Mr. JOHNSTON: I think the minister has put his finger on the spot when he says that the right place to grade bacon is on the rail. It might be that the proper remedy for the trouble is to grade the bacon there and not on foot at all. Is there any record as to the quantity of No. 1 bacon coming out of any particular abattoir in the country?

Mr. MOTHERWELL: No, but we have pretty well under way arrangements for grading the bacon. I spoke of it the other night. We have a gentleman over in the Old Country now on the Imperial Marketing committee. When he is through with that, he will go into a further investigation as to the best kind of grades to make to suit the market. It was the first duty to grade the live hog. We cannot grade it on the rail very well in Canada. In Denmark a farmer takes his hogs to the abattoir, goes down town and does his shopping, and in a few hours there is the animal on the rail graded and he gets his money, just as we used to take grist to the mill and in a few hours get the flour back.

Mr. GOULD: A few years ago the country was filled with pamphlets instructing the farmers to raise bacon hogs that would weigh 190 pounds. It was represented that this made the ideal Wiltshire side and many farmers attempted to produce that kind of hog. Much discontent, however, prevails throughout the country amongst farmers who raise the hogs, the people who handle the co-operative shipments and even the drovers who take the hogs down to the market. There was so much protest made that the department raised the weight of the select bacon hog to 220 pounds.

Mr. MOTHERWELL: Two hundred and ten pounds.

Mr. GOULD: Did this discriminating individual, living in England, advise the minister that it would be all right to raise the weight from 190 to 210 pounds, and if so, why were the instructions so positive in the first pamphlets that were issued? I do not think the discriminating individual living in England, when he sees his slice of bacon on his plate, can distinguish a difference of five, ten or twenty pounds in a hog. The people are objecting that an individual is required to produce in a bacon type a hog that weighs exactly 210 pounds, but the man on the farm who raises the hog is obliged to put his judgment against the scales in the city of Winnipeg. He has a litter of eight or nine pigs and he guesses at the opportune time to send those pigs to the market. The minister knows full well that a great many people in the west live very many miles from the railway or shipping point, and they

cannot afford to divide up that litter of hogs; and yet a matter of 4 or 5 pounds of difference in the weight of hogs will penalise that individual $1 per hundred. They will be graded thick smooth, and I think either the cut or the penalty is too great, or the grade is too severe, possibly both. Shortly before I left home I was returning from Winnipeg. Practically all the shippers who live on my line of railway, who go to Winnipeg, were on the train, and the subject of hog grading was the paramount discussion, and naturally it centred around me—what attitude did I take? One old grey whiskered man was in the party and he had had a hard time, but he said "Doc Tolmie is a good old scout. He knows what he is doing". He could not justify the grading but he justified Doc Tolmie. But the people are absolutely dissatisfied with the prices and the system of hog grading and the discrimination shown. I could cite the case of the Watsons—possibly the minister knows of them—living south of Manor, great cattle breeders, who have been on record as having shown cattle at Regina and shipping overseas a number of years. They did secure the type of hogs demanded. I saw a litter of pigs owned by them taken in. I saw them in the yard at Winnipeg and no one could discriminate or see any difference in the hogs by looking at them. I think the scales could scarcely determine the difference. Yet Mr. Watson received one select hog out of the nine, and it was the talk of the whole yard that he was abused, and I really believe it. It is my opinion that unless there is an easing of the principle of grading the people are justified in paying no attention whatever to the grading proposition, or to the attempt to raise that type of hog. If the 190 pound hog was the typical and only hog that would produce the Wiltshire side in 1922, why was it that a year or so afterward we found that a 210 pound hog would make the ideal Wiltshire?

Mr. MOTHERWELL: It was in response to the representation made by many farmers. It was a sort of dividing and harmonizing of interests. The average grower of hogs felt that he could feed hogs to better advantage at 210 pounds, and it was felt it was a sort of compromise, and so it was raised.

Mr. GOULD: Am I right in presuming that if the protest is loud enough there may be another change—that is a change between the select hog and the smooth thick hog, or a discrimination between the hog which weighs 210 pounds and the one which weighs 214 pounds? But the owner of the hog that is four pounds over is penalized by sacrificing $1 per hundred pounds. I think some of the unrest in this regard could be settled if this discrimination were done away with. A graduated scale such as the minister referred to in the case of wheat might answer the purpose. Let us have a percentage of that, say 25 cents for the hog that weighs five or ten pounds more. A man has to use his judgment by looking at the hog and placing his judgment against the scale weight. He has no control over the trip to his destination, and by the time the train arrives, his hogs might lose or gain on the trip. It generally takes two days to get a hog down to Winnipeg, depending on the circumstances, but the man who owns the hog pays the full toll and takes all the risk. Therefore I do not think the price should be so discriminatory against the man who is only endeavouring to comply with the regulations with regard to the shipping of the hogs.

Mr. WARNER: Will the minister tell us whether there is any record of the hogs going into the packing plant that get the grade for Wiltshire sides?

Mr. MOTHERWELL: No.

Mr. WARNER: No record kept—

Mr. MOTHERWELL: There is a record of all the grades, but not of the bacon. We are not grading bacon yet.

Mr. WARNER: If there is a record kept of the number of hogs that get the Wiltshire grade in going into the plant, and the amount of Wiltshire sides sent out of the plant, there is no reason for any quibbling over the grading. We can keep a direct check on it in that way, and I would advise the minister, if it is possible, and as soon as possible to see that there is a record kept of all the hogs that go to the packing plants and get the Wiltshire side grade, and of all the Wiltshire sides going out of the packing plants, that we may be able to check up and ascertain when the grading is done satisfactorily. I know there is a great deal of dissatisfaction and discouragement. The people who are raising hogs feel that no matter what the quality is they are not getting the Wiltshire grade, when they are entitled to it. We want to encourage production of more of the very best quality possible, and I think that with a small outlay, to keep a check on the hogs that get the Wiltshire grade going into the plant and the amount of Wiltshire pork going out of the plant, we could get at it in a reasonable and intelligent way, and perhaps through the use of this method we will

be able to give encouragement to the people who are trying to raise this kind of hog. It is a very hard thing to do with the breed of hogs we have. It would take some time at the best, but I think that that one thing would give more encouragement than all the talking to the people that the department can do through their agents. Having a check on it and letting the people know they are getting a square deal will help to encourage production.

Mr. MOTHERWELL: Referring to the remarks of my hon. friend from Assiniboia (Mr. Gould), the grading of hogs in principle is not very much different from the grading of any other product. It is more difficult to carry out, but the principle is the same and you have to have an arbitrary point between grades. The situation is that when you miss one grade and drop into another you drop some money. When you drop a grade in wheat you drop a whole lot—10 or 15 cents between the low grade.

Mr. GOULD: We drop a dollar in one grade on the hog.

Mr. MOTHERWELL: That is a cent a pound. That is not as much proportionately as fifteen or twenty cents on wheat. You have to have an arbitrary point of demarcation between one point and another.

Mr. GOULD: Surely a cent a pound on pork is a much greater drop than ten or fifteen cents on 60 pounds of wheat.

Mr. MOTHERWELL: That is neither here nor there. You have to have an arbitrary rate. We started out with a weight 160 to 210 pounds. That was changed from 170 to 220 pounds, a sort of compromise. My hon. friend wanted to know whether, if a vigorous kick were made, we would make a change. When you get into the heavier animals you would not have the bacon type. We think we have gone just as far as we can without destroying the grade that is desired abroad. If my hon. friend would just simply imagine that it is something else he is more familiar with—grain—he will acknowledge that you cannot depart from any grading system. This involves exactly what he is complaining of. The only way it can be avoided is by having a straight sample market where one man dickers with another. Once you begin to grade, you must have an arbitrary line, and the moment you drop out of one grade into the lower you drop money. If it only made 5 per cent difference it would take an expert to tell it. Besides, nobody but the buyer sets the price; the market says what the grade will bring, not the grader. The packer comes along and is ready to give 10 per cent more for that kind of animal. You wonder why he will not give more, but that is what it is worth to him who is converting the raw product into the finished article to compete with other countries. Let me read the description of select bacon hogs:

> Select bacon: hogs weighing 170 to 220 pounds at stockyards and abattoirs, or hogs weighing 170 to 220 pounds at local shipping points and at such other points as may be designated from time to time; of a type and finish indicating suitability for the production of choice bacon or Wiltshire sides for export. Jowl and shoulder light and smooth; back from neck to tail evenly fleshed; side long, medium depth, dropping reasonably straight from back; ham full; good general finish; no excess fat.

It takes a bird of a hog to comply with that description. You might have a heavy shoulder and heavy neck animal with short side and fat hams; that would not do at all. The owner of any product is always a little partial towards it just as we are partial to our own children. Therefore it would not be safe to leave the grading to the owner; it has to be done by some impartial individual, and it takes an expert. These graders become so familiar with their work that although the animals pass by them quickly their judgment is very seldom challenged. I have been well pleased with any of these graders whom I have seen at work. I know the difficulty I had in converting myself from the old-fashioned idea I got when a youth down in this province. We used to think a hog was not ready for the knife until it was so fat that you had to call it three or four times before it would get up. Some education is needed to get that idea out of a man in favour of something that looks to him more like a greyhound—a thin, smooth animal with long sides—where the value is—and low shoulders —where the low price is—and a light neck. I am afraid a great many farmers are setting up the judgment of their youth against the new demand; they want to make the grade fit their hog, instead of making their hog fit the grade. I had the same difficulty myself, and it is only in the last ten years that I have paid much attention to the matter at all. I am in correspondence with the provincial ministers of agriculture, on this very thing, asking them if they have any suggestions to make to improve conditions—Do they agree with the principle? If so, what details should be changed to make it more acceptable to the farmer? If anybody does not want to comply with the grading, well, this is a free country and he can grow anything from a wild boar to a razorback, but if he wants to get the price he must raise select bacon hogs.

Mr. WARNER: I asked the minister if he thought it possible to keep a record of the hogs going into the plant getting the Wiltshire side grade and the pork going out of the plant.

Mr. MOTHERWELL: I overlooked that question. When we come to grade the bacon, yes; but at present the grading does not go past the live hog. We are working on the system of bacon grading now. In a few months we hope to have it ready, and then we will have a check on the amount that goes in and the amount that comes out. But make no mistake, when we put that on there will have to be a few more men, and this increase of staff will bring a few more complaints from some people that we are blowing in too much money for the work. It must be understood that if we are going to give service we must pay the price.

Mr. WARNER: It is not satisfactory at the present time, so I am glad to hear the minister is going to see the work will be done in a better way.

Mr. MOTHERWELL: It is a gradual evolution towards betterment.

Mr. GOULD: When on my feet before I do not think I said anything which should cause the minister to think that I object to the principle of grading.

Mr. MOTHERWELL: I do not think you did.

Mr. GOULD: I do not object to the principle of grading although I notice it is very fashionable at the present time to grade the farmers' stuff as it leaves him, but it is not as fashionable to grade the stuff which the farmer has to buy. I should like to see the same activity and persistence in the other departments of the government to grade the materials which I have to buy as is shown in the grading of materials which I have to sell. The minister read to the committee the type of hog which makes the Wiltshire sides, and one of the items was "not much fat."

Mr. MOTHERWELL: No excess fat.

Mr. GOULD: Not enough fat to put in your lard pail at all.

Mr. MOTHERWELL: Very little.

Mr. GOULD: The market has been stolen by the Cottolene people, the people whom the minister two years ago scolded so severely because of their product entering into the manufacture of oleomargarine, but he has handed over the shortening market to these same people.

Mr. MOTHERWELL: There will always be enough fat hogs to produce lard.

Mr. GOULD: Possibly, but at the present time I notice the lard pails are particularly low, and I have to go into the butcher shop to buy cottolene or crisco, which have taken the place of the real, genuine old lard that helped to make the genuine old doughnuts "like mother used to make," and which now are denied us through the activities of the Department of Agriculture.

Mr. MOTHERWELL: We will have to get oleo back then to make doughnuts.

Mr. GOULD: The minister must recognize how difficult it is for the farmer taking the chance on his own judgment to get his hogs to the Winnipeg market and have them come within this narrow margin of weight. It may be a true type that was bred properly and ordinarily would have conformed to the weight requirement had the facilities for getting to market been as they should be. But something happened; the hog was longer on the road than it should have been, or it may have been fed, with the result that it weighed a pound more than it should have weighed and the owner loses one cent a pound on that account. There is an argument in favour of the man who has made an honest attempt to turn out the proper type of hog. The people in my part of the country are dissatisfied with the principle of hog grading as it is now carried out.

Mr. MOTHERWELL: My hon. friend approves, I understand, of the principle of grading. What changes would he suggest in detail?

Mr. GOULD: I would be as broad in my interpretation of what the change should be as the minister was when he raised the weight from 190 to 210 pounds. If license was shown to that extent when that change was made, then I think a further license might be shown in determining what the weight and the status of the bacon hog should be at the present time.

Mr. MOTHERWELL: The market has to set the price.

Mr. GOULD: I do suggest the advisability of grading bacon out. I believe that the abattoirs or storage houses that check in these supposed thick smooths and bacon hogs are sending out more Wiltshire sides than they take in. I think it is the business of the government to know that and to see that the people are informed generally of the condition of affairs in that regard.

Mr. TOLMIE: This matter of hog grading is one in which everyone is interested. I am sorry to hear from the hon. member (Mr. Gould) that there is a shortage in the doughnut crop as the result of the grading regulations; but it appears to be largely a matter of education. We cannot hope to consume all the hogs that we grow in this country and we cannot hope to market them in those markets that are open to us in the face of the competition from other countries unless we produce the kind of bacon they want. It is easier to do that than to change their ideas of what they want. I would like to commend the minister for the work he is carrying on in his agricultural committee in connection with the giving of addresses by experts of the department. I understand there is to be an address on the bacon hog and hog grading next week.

Mr. MOTHERWELL: Tuesday.

Mr. TOLMIE: Why not follow that up with a live hog demonstration, either at the packing house over in Hull or at the experimental farm, so that all the members of the House of Commons who take a keen interest in this matter may have the opportunity to see an actual demonstration of what the bacon hog is?

Mr. MOTHERWELL: I shall be very glad to do that.

Mr. THURSTON: There has been so much criticism of hog grading and the types of grades set out by the department that I cannot help thinking that a little support should be given to the system or to the grades as at present established, by one who feels that he knows what he is talking about. I happen to have been connected with this hog grading work—

Mr. BEAUBIEN: Does the hon. member suggest that those who spoke against the grades did not know what they were talking about?

Mr. THURSTON: Not at all, but I claim that I know what I am talking about when I support the grades that have been established. I was interested in the agitation for the grading of hogs for some years before it was adopted and in several conferences with representatives of the packing plants of Ontario. We have demonstrated at our local shipping point at home that the farm there is receiving a benefit from the system, because as a result of it, we are getting a premium ranging from $40 to $70 on every week's shipment.

Mr. MOTHERWELL: What percentage goes "select?"

[Mr. Gould.]

Mr. THURSTON: It varies. When we first started to grade, our loads ranged from 12 to 15 per cent—12 was the lowest. We have gained from 12 per cent to 58, to my knowledge, and it may have increased within the last week or two. We have done that in a matter of eight or nine months. It is not hard to produce a hog that will comply with the grades laid down by the department. Care has to be taken in the breeding, and particularly in the feeding in the early months of the life of the hog. It is when the hog is young that the hog is made. You cannot raise hogs in Ontario to-day by letting them grow themselves; they have to be grown just the same as any other animal.

Mr. MOTHERWELL: Do you dairy as well?

Mr. THURSTON: Yes. You cannot profitably raise hogs without keeping milch cows. I hope that the campaign of hog grading will continue to the point that different hon. members have suggested, and that we will have an actual check or report on the bacon as it leaves the plant. I understand that we are allowing a great deal of American bacon to be brought into Canada, cured here and sold in Great Britain. I have tried to get a copy of the mark that is stamped on the bacon but I am told that the words "Canadian cured" appear in rather large letters and "American bacon" in small letters, and that the bacon is frequently sold in Great Britain as Canadian bacon. If we are to spend a great deal of money and time to establish our reputation as a bacon producing country we should have our markets very closely watched to see that no one else cuts in on us. I would like to be certain that this American bacon is not injuring the reputation of our Canadian bacon in Great Britain.

Mr. MOTHERWELL: There was a general impression that during the war the reputation of our bacon was injured a little by the American bacon that my hon. friend speaks about; and we may have hurt it a little ourselves during that period. A very large amount of this bacon comes in—about 25,000,000 pounds a year. That is brought into the packing houses. It is kept separate and put into separate vats. It is cured separately, and shipped out separately. It is one of the duties of the meat inspector to see that it is shipped out separately and marked separately, every side being marked " U.S. product." I do not think there is any abuse now. The only thing that I have felt anxious about was this: When Canadian packers

could not get the amount of Canadian bacon wanted, instead of pressing for it and by offering a fair price encouraging the Canadian farmer, they turned around and bought from the United States in order to keep their plant going. You cannot blame them for that; but if that were not done, they would be more likely to pay a better price and encourage bacon production here. The idea is to make it so attractive that they could not afford to miss it. If I were a packer, I presume I would want to keep my plant running at full capacity, and the only way for us to stop them importing is to raise more bacon. I know farmers do not like anybody suggesting anything to them about hogs, because they feel they have been fooled on hogs so often they want to be left alone; but you cannot blame the packer for importing if he cannot get enough at home to keep his plant running.

Mr. THURSTON: I think it would be wise for our customs officials or for the department to see that the words "Canada" and "Canadian" are not allowed to go on the packages or on American meat shipped in here.

Mr. MOTHERWELL: Those words are not allowed.

Mr. THURSTON: Not even "Canadian cured." Do not let the words Canada or Canadian appear on it at all.

Mr. MOTHERWELL: I have heard it stated that "Canadian cured" is on it, but I am sure it is not.

Mr. SPEAKMAN: To return to the item before us, I am quite sure the minister in his zeal for economy would welcome any suggestion which, if feasible, would assist him in reducing the cost of administration of this and similar acts without impairing the efficiency of the service. In answer to a question by the hon. member for Victoria, the minister stated there was no over-lapping of the work of the veterinaries employed in this department and those who might be employed by provincial departments. I want to suggest to him that it might be possible in a great many cases to use some of the local veterinaries for that work. We have a considerable staff of men employed in this business, and not only are they on salary but they also have to travel long distances, at considerable expense, to reach the scene of their operations. I believe,—as a matter of fact I know from personal observation that there are a great many local veterinaries in the neighbourhood, competent men who for a comparatively small fee would perform that work. I believe that is a suggestion that is worth considering. I have heard it stated, not only by the local veterinaries but by farmers in the neighbourhood—and I have myself seen it—that men have travelled upwards of one hundred miles by train and by car to do that work, at great expense for travelling and involving a loss of time, which means that they can do comparatively little work. I would like the minister to consider that suggestion.

I think the same principle might be applied in connection with some of the other acts; for instance the Live Stock Act; I would not have referred to that if it had not been mentioned here to-night. There are three or four items; take these stallion clubs, for example. I understand that in order to qualify, a horse must be subjected to an inspection by a qualified horseman in order to ascertain whether the animal is of the proper type. I had a very interesting experience in the city of Calgary not very long ago. I was in the Palliser hotel and saw there a gentleman very comfortably ensconced. I said to one of my friends. "Do you know who that man is?" "Yes," he said "he is a horseman from Ontario. He has come up to inspect stallions for stallion clubs." "What is the idea?" I asked. "Oh," he said "we haven't good enough horsemen in Alberta to do the work, I presume." I want to suggest to the minister that in many cases you will find in Alberta, not in the same district, for it is not always advisable to use a man in the same district, but in the neighbourhood horsemen as well qualified to do this work as any horseman anywhere else in Canada. They would be glad to do it for a comparatively small fee for each examination. If that can be done, and of course I am prepared to listen with an open mind to any reasons why it cannot be done, I am quite certain it would result in a considerable reduction in staff, and a consequent decrease in salary and travelling expenses and result in the case of examination of horses in a great reduction of fees and expenses charged by the men who do the inspection. I have men in my own district who I know are just as well qualified to pass on the pedigree and type of horse required as any man imported to do the work. They could examine a horse for $10, whereas I am sure my friend in the Palliser hotel would have charged at least $100 in fees and expenses to do the same work. I would like the minister to consider that, and ascertain if some system of that sort could not be put into force in connection with many

of these acts. We have a great many grading acts now, and we will probably have more. I am not against grading acts; I would like to see the grading acts lived up to and our products standardized and improved and the health of every animal maintained, and we should have competent men to see they are maintained; but I would suggest that as we are continually multiplying these services, which means a continual increase in the staff employed, and a continual increase in expenditure, some such system as I suggest might in many cases be put into force. It would materially reduce the cost without impairing in any way the efficiency of the work done; I would be very sorry to see its efficiency in any way impaired.

Mr. MOTHERWELL: I think the remarks of my hon. friend are worthy of some notice. His suggestions look quite plausible, but we have found in actual practice that it is better to have an outside examiner of these horses, just as it is better to have outside judges at fairs on account of the keen competition there is among the stock men. An outside examiner will be more likely to give a fair and unbiased examination, other things being equal, than the local man who is influenced by his home environment and associations, and may be persuaded into giving not quite as fair a judgment on the merits of the animal.

Mr. SPEAKMAN: I was not suggesting that a man in the district in which the club was formed should do that work. I am quite aware that local circumstances might influence his judgment, but a man could be brought in from a district not so very far away to do it.

Mr. MOTHERWELL: That often happens, I believe. In the instance my hon. friend mentions, the man might have come from Ontario, but we have no desire to pay heavy travelling expenses if we can get a good man locally.

My hon. friend's other point about local veterinaries also sounds plausible, but our certificate, whether it is on our meats or any other product, and with regard to freedom from tuberculosis, our inspection certificates of all kinds in order to have value must be given by our own men. I think that is a condition in other countries also. It must be men under the control and in the pay of the federal government. Our certificate would have very little weight unless it was given by our own men; in fact we have to comply with the conditions laid down by other countries in this respect. If those countries want their bacon certified it must be marked by a federal veterinary. If the market wants our cattle to be certified free from T.B. that certification must be done by an appointee of the federal government. We do not create these terms, other countries insist on them, and it is our duty to comply with these demands just as it is in the matter of sending a veterinary over to the Old Country with every consignment of cattle. Under these conditions, therefore, we are not permitted to use the services of local men, particularly in the case of exportations to the overseas market. As to the men who are employed by the federal department I must refer hon. gentlemen to the Hunter building—that is the place where the positions go through. We have not advertised for any veterinaries recently; there is a waiting list of about forty or more of men who have qualified. There may be some men from Alberta, I think there are some from Saskatchewan, on that list, but the general understanding is that appointments from this list will be made on the basis of eligibility. Not only that, but the order with regard to certificates precludes the possibility of appointing local men.

Mr. SPEAKMAN: I think the minister is mistaken in his conception of my suggestion in one respect. I am not objecting to veterinaries being appointed from other provinces and stationed permanently in Alberta, I am not objecting because they are not Alberta vets, but I was suggesting that it might be possible to have these men examined by the federal department and placed, if you like, on part time, as is done in many departments of the government.

Mr. MOTHERWELL: Yes, we do that.

Mr. SPEAKMAN: These part time men would be remunerated on the fee system, but would still be federal employees who would comply with the provisions of the act.

Mr. MOTHERWELL: We have that system now.

Mr. SPEAKMAN: I was suggesting you should extend that system and pay these men on a per diem basis.

Mr. TOLMIE: I wish to say one or two words in connection with the vote under consideration. The minister, with reference to the creation of isolation areas for the purpose of cleaning up tuberculosis, referred to Vancouver island and also to Prince Edward Island. The suggestion is a very excellent one for the reason the minister stated—that in both cases there are natural barriers, the areas can be easily isolated, and the needed isolation

can be maintained to the greatest possible extent. On Vancouver island a great deal of testing has already been done under the provincial government. There are a number of accredited herds there, and in addition to that we have perhaps one of the best Jersey herds and Jersey equipments in the whole of Canada. So that the department when it undertakes that work, will find the conditions very good to begin with.

The minister has spoken about the provincial aid that his department should receive in carrying on the work of the Health of Animals branch. While I quite agree that that aid would be an advantage, we must guard carefully what has been built up in connection with that branch. It stands out by itself as one of the best organizations of its kind in the world, created largely on a splendid foundation laid by the late Dr. J. G. Rutherford, a man whom we all respected, and whom we all acknowledge to have been, perhaps, one of the ablest men in his profession in the country. We have attained a position that is unique from the point of view of the success that has been achieved. Perhaps the strongest arguments that were used before the embargo commission in the Old Country were first our freedom from animal contagious disease, and, in the second place, our ability to continue to protect the herds of Canada against contagious disease. So that in any arrangement that is made with any province I would advise the careful guarding of the authority of the federal Health of Animals branch in order that that authority may remain unimpaired. That branch has succeeded in the past, it is succeeding at the present time, and gives every promise of being able to succeed in the future.

There is a point I should like to refer to for a moment, and that is the cutting down of the amount of compensation paid. The compensation, as I understand it, is a means of paying to the man who is losing the diseased cattle a certain amount of remuneration so as to diminish his loss. We found at the beginning that all this health of animals work was opposed, just as hog grading is being opposed to-day, but when people began to realize the value of the work a fair compensation was a tremendous aid to the government in carrying on its operations. It is rather dangerous to lower your compensation too much. In the case of the small farmer who has a small grade herd, after he has raised his steer and his heifer to the yearling stage I do not see just what difference it will make. The value of both animals is practically the same whether yearlings or two year olds; and I think he should have compensation coming to him just as much in the one case as in the other; I am quite sure that he suffered a loss in both cases.

It has been mentioned to-night in the discussion that there was somewhat of an inclination to get away from the splendid work carried on by the Health of Animals branch at one of the meetings in the west during the past year. If that be so I think that tendency should be very strongly opposed. We find in all districts, and I have had a personal experience in this connection, that in applying the regulations of the Health of Animals branch there is always a group that will oppose you strongly under all conditions; and you simply have to go after them with a stiff upper lip and put the regulations through. If the regulations are properly applied the opponents will, in the course of time, come to recognize the value of them.

There is one criticism I am going to make —although I am not going to say it is the only one I should like to offer—and that is of the policy of spending large amounts of money on compensation while there is only a very small sum expended on research work. It appears to me that research work—good and extensive research work—should be the foundation of the entire operations of the Health of Animals branch to a very great extent, and that by carrying on this research work, by learning the very best method of conducting experiments with the proper plant, you will place yourself in a position, after a while, to avoid a great deal of the expenditure that is now made in the way of compensation. I would strongly urge upon the government that these stations be extended so as to afford the experts that you have at the present time, and very excellent men they are, a fair opportunity of developing along these lines, remembering that trying to economize will not make the germs inactive; they will continue to keep busy under all circumstances, and so there must be adequate appropriations to carry on the work in a proper way.

11 p.m.

Before closing I should like to ask the minister one question: Did I understand him to say, when discussing the Calmette vaccine that this has not reached a sufficiently high standard of perfection to be adopted as a general method of eradicating tuberculosis?

Mr. MOTHERWELL: We are experimenting, but we could not, as yet, recommend any general application.

Mr. TOLMIE: From the knowledge you have acquired, and in the opinion of your experts, it has not yet reached that stage?

Mr. MOTHERWELL: That is right.

Mr. MILNE: What amount of money is being spent in research work with the object of preventing or stamping out these diseases?

Mr. MOTHERWELL: I think I read the item out. "Pathological division, $55,000."

Mr. LEADER: I ask the minister why he has undertaken to exempt cattle suffering from lump jaw from any compensation if they react to the tuberculin test? I, as a breeder and live stock man do not take any serious objection to the fact that this is applied to steers. But for the life of me I cannot see why they apply this to cattle suffering from lump jaw. I took occasion to write to the Veterinary Inspector General to see if there was any connection between lump jaw and tuberculosis. One clause in his letter reads:

> The whole trouble with lump jaw is that the cases are not promptly dealt with. In cases that are promptly dealt with and recover, there is no sign of any enlargement. This disease has no bearing at all upon tuberculosis.

If a breeder is unfortunate enough to have a very valuable female animal contract lump jaw, she gets over it, she has had no tuberculosis and there is no scar left from her having had lump jaw, why should the breeder of that animal be penalized to the extent that he will not get compensation for her if she reacts to the tuberculin test? The regulations call for her destruction, but there is no compensation. Why is that regulation in effect?

Mr. MOTHERWELL: When this disease is in its incipient stage and can be taken care of, I think the intention is not to apply the regulation to that stage; but when the disease gets so far advanced, objectionable and repulsive that the animal should not be there at all, we want the regulation to apply to that. In the early stages we can give compensation.

Mr. LEADER: I want that clearly brought out. In the incipient stage where there are no sufficient signs, compensation would not be withheld in case of a reaction?

Mr. MOTHERWELL: No.

Mr. CAMPBELL: Has the minister control over insurance rates charged by live stock commission agents? They charge an insurance rate on each car, the premium running from eight to ten, to twelve dollars a car, to protect them against probable losses from animals that may fail to pass the test. Many complaints are made by farmers and drovers that a very much larger amount is paid in than the actual value of the losses. There are hundreds of cars on which I am assured there are no losses at all, and yet this amount of eight, ten or twelve dollars is paid on every one of them. Those men should be compelled to furnish a statement showing their actual losses and the value as against the amount that they collect in insurance premiums.

Mr. MOTHERWELL: That is a pretty old question to open up at this time of the evening. I think the principle of charging a flat rate for insurance to take care of disease is bad, because it is charging the man with the clean stock just the same as the man with dirty stock. But in the absence of any better system, the packers have been carrying this on for quite a long time. This question has been raised, as the hon. member for Victoria City (Mr. Tolmie) knows, at practically every live stock meeting that has been held for the last ten or twelve years and at every live stock union that has been held.

Mr. CAMPBELL: The complaints I have heard in this regard are not because the men with the clean stock have to pay the same as those with the poor grade stock, but that a much larger amount is paid in than the packers actually lose. My suggestion is that these commission agents should be compelled to furnish statements showing the value of their actual losses as against the amounts they collect, because I believe they make a good deal of money out of those premiums.

Item agreed to.

Entomology, $20,000.

Mr. TOLMIE: We have had a pretty busy night; this is the end of the week, and most of our people have gone away. I think we have done pretty well.

Mr. BEAUBIEN: This is Friday and tomorrow is a holiday. We might go on for another hour.

Mr. STEVENS: That is not reasonable. We have had an excellent discussion to-day just as we had on the previous item. The minister has carried three very large items running into about $5,000,000 besides some smaller items. I think he ought to be well satisfied with the day's work.

Progress reported.

On motion of Mr. Béland the House adjourned at 11.10 p.m.

CIVIL SERVICE RETIREMENTS

[STATEMENTS presented by Hon. J. H. King (Kootenay, Minister of Public Works). See page 864].

SUMMARY OF RETIREMENTS UNDER THE PUBLIC SERVICE RETIREMENT ACT

Authorized by Order-in-Council, 1924

Department and Name	Is Position to be filled?	Position and Place	Reasons for Retirement	Date of Retirement	Age at Retirement	No. of years service	Salary at time of Retirement	Average Salary last three years	Gratuity Sec. 3 (1)	Retiring Annuity Sec. 3 (2)	Retiring Gratuity Sec. 3 (3)
							$ cts.	$ cts.	$ cts.	$ cts.	$ cts.
Public Works—											
Allin, W. W.	Yes	Caretaker, Bowmanville, Ont.	Advanced age	Nov. 1, 1924	69	20	780 00 plus all. 300 00	1,080 00	180 00	360 00	
Appleton, Edward	Yes	Plumber and Pipefitter, Toronto.	Physical disability	July 1, 1924	59	31	0 90 per hr.	1,933 04	335 70	966 52	
Ard, John	Yes	Caretaker, Whitby, Ont.	Advanced age and ill health.	Nov. 1, 1924	70	12	780 00 plus all. 300 00	1,080 00	180 00	216 00	
Baillie, C. H.	Yes	Fireman Labourer, Toronto.	Advanced age and failing health.	July 1, 1924	71	33	960 00	960 00	160 00	480 00	
Bambrick, Edward	Yes	Carpenter, Rideau Hall, Ottawa.	Advanced age	Oct. 1, 1924	74	18	0 75 per hr.	1,625 40	279 75	487 62	
Bastien, J. A.	Yes	Fireman, Ottawa	Failing health	May 1, 1924	65	14	75 00 per mo.	1,010 33	150 00	235 74	
Batterton, Thos.	Yes	Messenger Clerk, Ottawa	Advanced age and failing health.	June 1, 1924	66	32	840 00	840 00	140 00	420 00	
D. Beatley, Jno. J.	Yes	Watchman, Esquimalt Graving Dock, B.C.	Ill health	July 1, 1923	65	9	1,080 00	.....	180 00	.....	1,440 00 D.
Belanger, Jos.	Yes	Roofer, Ottawa	Ill health	Jan. 11, 1924	57	16	0 75 per hr.	.....	279 75	.....	1,119 00
Binks, Thos. C.	Yes	Labourer, Ottawa	Advanced age and physical disability.	May 1, 1924	73	19	0 45 per hr.	1,024 93	167 85	324 56	
Bishop, Wm.	Yes	Clerk of Works, Gr. 2, Halifax.	Advanced age	Sept. 1, 1924	81	13	1,680 00	1,680 00	280 00	364 00	
D. Bisson, Edouard	Yes	Mason's Helper, Ottawa	Physical disability	Nov. 1, 1924	62	14	0 45 per hr.	.....	167 85	.....	1,342 80 D.
Boivin, Francois	No	Agent Operator, Baie St. Paul, Que.	Abolition of position	April 1, 1924	59	31	564 00	564 00	94 00	282 00	
Bottomley, W. C.	Yes	Watchman, Ottawa	Advanced age and physical disability.	Nov. 1, 1924	69	14	960 00	960 00	160 00	224 00	
Bowman, Alex.	Yes	Fireman's Helper, Ottawa	Advanced age	Feb. 1, 1924	75	12	840 00	840 00	140 00	168 00	
Brault, Louis.	Yes	Elevator Operator, Montreal	Advanced age and failing health.	July 1, 1924	69	29	960 00	960 00	160 00	464 00	

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Department and Name	Is Position to be filled?	Position and Place	Reasons for Retirement	Date of Retirement	Age at Retirement	No. of years service	Salary at time of Retirement	Average Salary last three years	Gratuity Sec. 3 (1)	Retiring Annuity Sec. 3 (2)	Retiring Gratuity Sec. 3 (3)
Public Works—Con.							$ cts.	$ cts.	$ cts.	$ cts.	$ cts.
Broadfoot, Geo.....	Yes	Caretaker, Dauphin, Man...	Advanced age and physical disability.	Mar. 1, 1924	75	12	780 00 plus all. 300 00	1,078 33	180 00	215 66	
Broadfoot, Mrs. M. M.	Yes	Caretaker, Fergus, Ont.....	Advanced age.....	Oct. 1, 1924	75	7	780 00 plus all. 300 00	.....	180 00	.....	630 00
Brodie, A. W.....	Yes	Caretaker, Oshawa, Ont....	Advanced age and failing health.	Nov. 1, 1924	74	18	780 00 plus all. 300 00	1,080 00	180 00	324 00	
Brossard, Telesphore..	No	Messenger Clerk, Ottawa...	Advanced age.....	July 1, 1924	71	23	960 00	960 00	160 00	368 00	
Charbonneau, Nap.....	Yes	Plumber's helper, Ottawa...	Advanced age and failing health.	Sept. 1, 1924	67	25	0 65 per hr.	1,454 26	242 45	605 94	
Chartrand, Chas.....	Yes	Carpenter, Ottawa.....	Advanced age.....	Nov. 1, 1924	68	23	0 75 per hr.	1,554 16	279 75	595 76	
Charrier, Alfred.....	No.	Watchman, Levis Dry Dock Quebec.	Advanced age and failing health.	Mar. 21, 1924	70	12	960 00	960 00	160 00	192 00	
Chesley, Edward.....	No.	Operator lineman, Telegraph Point, B.C.	Abolition of position	July 1, 1924	57	5	1,800 00	.....	300 00	.....	750 00
Chrystal, Alex.....	Yes	Caretaker, Goderich, Ont..	Advanced age and ill health.	July 1, 1924	75	13	780 00 plus all. 300 00	1,080 00	180 00	234 00	
Clancy, Martin.....	No.	Stationary Engineer, heating Gr. 2, Ottawa.	Advanced age.....	Nov. 1, 1924	77	38	1,320 00	1,320 00	220 00	660 00	
Clarke, Norman.....	No.	Telegraph agent operator, Grosse Isle, Que.	Lack of employment	Oct. 1, 1923	71	30	600 00	600 00	100 00	300 00	
Courbron, E.....	Yes	Telegraph lineman, Portneuf, Que.	Advanced age.....	Nov. 1, 1924	65	35	47 00 per mo.	564 00	94 00	282 00	
Cohoon, Thos.....	Yes	Caretaker, Bridgewater, N.S.	Advanced age.....	Nov. 1, 1924	72	16	780 00 plus all. 300 00	1,080 00	180 00	288 00	
Connery, Wm.....	No.	Clerk of Works, Gr. 2, Toronto.	Abolition of position	Nov. 1, 1924	51	7	1,800 00	.....	300 00	.....	450 00
Cragg, John.....	Yes	Cleaner and helper, Victoria.	Advanced age and ill health.	April 1, 1924	68	13	900 00	900 00	150 00	195 00	
Cyr, Edward.....	Yes	General telegraph repairer, Esquimaux Point, B.C.	Advanced age.....	Nov. 1, 1924	70	22	672 00	672 00	112 00	246 40	
Dalglish, G. M.....	No.	Construction foreman,	Advanced age.....	Nov. 1, 1924	66	24	5 00 per day	1,563 33	265 00	625 33	

Daley, Robt.	Yes	Carpenter, Ottawa	Advanced age	June	16, 1924	75	16	0·75 per hr.	1,636 75	297 75	436 46	
Davis, H. Jas.	Yes	Elevator operator, Montreal	Physical disability	May	1, 1924	70	10	960 00	960 00	160 00	160 00	
Delaney, John	No.	Photographer, Ottawa	Abolition of position and decreasing efficiency	Nov.	1, 1924	57	33	1,500 00	1,500 00	250 00	750 00	
Dery, Jos.	Yes	Painter, Ottawa	Ill health	Nov.	1, 1924	54	32	0 65 per hr.	1,454 93	242 45	727 46	
Dionne, Prime	Yes	Carpenter, Ottawa	Advanced age	May	1, 1924	82	17	0 75 per hr.	1,629 40	279 75	461 46	
Doucet, Jas. H.	Yes	Caretaker, Bathurst, N.B... N.B.	Advanced age and failing health	July	1, 1924	77	18	780 00 plus all. 300 00	1,080 00	180 00	324 00	
Drapeau, Philippe	Yes	Draftsman, Ottawa	Advanced age and failing eyesight.	June	1, 1924	68	32	1,560 00	1,543 33	260 00	771 66	
Dube, Evariste	Yes	Caretaker, Fraserville, Que.	Advanced age	Nov.	1, 1924	76	14	780 00 plus all. 300 00	1,080 00	180 00	252 00	
Dugal, Arthur	Yes	Stationary engineer, Ottawa	Advanced age and failing health.	July	1, 1924	68	35	1,320 00	1,320 00	220 00	660 00	
Duguay, Mrs. L.	No	Agent operator, English Bay, Anticosti.	Abolition of position	Nov.	1, 1924	25	6	792 00	.....	132 00	.....	
Duguay, Placide	No	General repairer, Anticosti, Que.	Abolition of position	Nov.	1, 1924	55	6	792 00	.....	132 00	.....	396 00
Dye, Benjamin	Yes	Caretaker, North Battleford, Sask.	Ill health	July	1, 1924	64	11	780 00 plus all. 300 00	1,080 00	180 00	198 00	
Dyble, J. H.	Yes	Caretaker, Sarnia, Ont.	Advanced age and ill health.	Nov.	1, 1924	64	21	1,080 00	1,080 00	180 00	378 00	
D. Elford, Aaron	Yes	Elevator operator, Calgary.	Advanced age and physical disability	Aug.	1, 1924	68	9	960 00	.....	160 00	.....	1,280 00 D.
Ellis, Riley	Yes	Caretaker, Milton, Ont.	Advanced age	Nov.	1, 1924	76	9	780 00 plus all. 300 00	.....	180 00	.....	720 00
Enright, J.	Yes	Labourer, Ottawa	Advanced age	Nov.	1, 1924	69	7	0 45 per hr.	.....	167 85	.....	587 47
Eynouf, Geo. F.	Yes	Labourer. Ottawa	Advanced age and ill health.	June	1, 1924	63	11	0 45 per hr.	799 13	167 85	146 51	
Faulkner, Geo.	Yes	Labourer, Experimental Farm, Ottawa.	Advanced age	Nov.	1, 1924	74	11	0 45 per hr.	855 40	167 85	156 82	
*Ferriman, W. J.	Yes	Plumber's helper, Ottawa...	Physical disability.	Aug.	1, 1924	54	20	0 65 per hr.	1,429 13	242 45	714 57	
Fleming, G. S.	No	District Superintendent, Government Telegraph Service, Gr. 2, White Horse, Y.T.	Abolition of position	Feb.	1, 1924	60	24	2,700 00 plus all. 240 00	2,940 00	490 00	1,176 00	
Fletcher, Capt. H.	Yes	Master Tug "Point Gray"..	Inefficiency	Mar.	1, 1924	62	12	170 00 plus all. 0 80 per day	2,329 09	388 80	465 81	
Fournier, Nap. C.	Yes	Carpenter, Ottawa	Advanced age and ill.	Nov.	1, 1924	70	20	0 75 per hr.	1,615 02	279 75	538 34	

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Public Works—Con.							$ cts.	$ cts.	$ cts.	$ cts.	$ cts.
Gagne, Edmond	No	Construction foreman, Montmagny, Que.	Abolition of position	Nov. 1, 1924	56	.....	See foot-note				
Gauvreau, Alex	Yes	Mason's helper, Ottawa	Advanced age	July 1, 1924	70	20	0 45 per hr.	1,030 11	167 85	343 37	
*Gauvreau, N. B	Yes	Assistant engineer, New Westminster, B.C.	Advanced age and failing health.	Nov. 1, 1924	69	24	2,580 00	2,580 00	430 00	1,032 00	
Gent, Aaron	Yes	Lineman, Gents, Vancouver Island, B.C.	Advanced age	Nov. 1, 1924	71	14	1,584 00	1,579 60	264 00	368 57	
Gervais, Guillaume	Yes	Sign writer and painter, Ottawa.	Ill health	July 1, 1924	62	21	0 80 per hr.	1,772 26	298 40	520 28	
Gingras, Eugene F	No	Assistant tester of building material, Ottawa.	Ill health	June 1, 1924	62	31	2,100 00	2,100 00	350 00	1,050 00	
Gordon, A. E	Yes	Fireman labourer, Ottawa	Advanced age and ill health.	Nov. 1, 1924	73	11	960 00	960 00	160 00	176 00	
Gore, W. J	Yes	Caretaker, Regina, Sask	Advanced age and ill health.	July 1, 1924	61	23	780 00 plus all. 300 00	1,080 00	180 00	414 00	
Gould, Capt. I. A	Yes	Dockmaster, Esquimalt, B.C.	Advanced age	April 5, 1924	77	25	2,400 00 plus all. 420 00	2,820 00	470 00	1,175 00	
Grace, P. J	Yes	Messenger clerk, Ottawa	Advanced age	July 1, 1924	73	19	1,000 00	1,000 00	166 66	316 66	
Granger, I	Yes	Fireman labourer, Ottawa	Physical disability	Sept. 1, 1924	65	22	960 00	960 00	160 00	352 00	
*Green, Michael Sec. 1 (2).	No	Teamster, Rideau Hall, Ottawa.	Advanced age and failing health.	Oct. 1, 1924	73	32	20 00 per week	1,010 28	173 33	505 14	
Gregory, Chas	Yes	Cleaner and helper, Toronto.	Advanced age and ill health.	July 1, 1924	66	20	900 00	900 00	150 00	300 00	
Guindon, Arthur	Yes	Fireman, labourer, Ottawa	Advanced age	July 1, 1924	73	26	960 00	960 00	160 00	416 00	
Halpenny, J. F	Yes	Caretaker, Carleton Place, Ont.	Physical disability	July 1, 1924	66	32	780 00 plus all. 300 00	1,080 00	180 00	540 00	
Hall, Richard	Yes	Sr. Inspector of dredges, Vancouver, B.C.	Advanced age	Nov. 1, 1942	74	11	2,580 00	2,563 33	430 00	469 94	
Hall, R. P	Yes	Operator lineman, Fort Selkirk, Y.T.	Ill health	Sept. 1, 1924	48	21	1,400 00 plus all. 50 00 per mo.	1,983 55	340 00	694 24	
Hamlet, Oliver	Yes	Stationary engineer of Heating, gr. 1, Toronto.	Advanced age and ill health.	July 1, 1924	63	12	1,140 00	1,140 00	190 00	228 00	

Hampshire, Chas. C...	Yes	Sr. fyle clerk, Ottawa.....	Failing health.....	July	1, 1924	64	35	1,680 00	1,680 00	280 00	840 00	
Handy, Jos.....	Yes	Foreman painter, Rideau Hall, Ottawa.	Advanced age and ill health.	Nov.	1, 1924	67	26	0 75 per hr.	1,684 00	279 75	729 73	
D. Hannan, H.....	Yes	Carpenter, Ottawa.....	Protracted ill health	May	1, 1924	53	7	0 75 per hr.	.....	279 75	.....	839 24 D.
Hanley, Henry.....	Yes	Carpenter, Ottawa.....	Advanced age.....	Nov.	1, 1924	70	11	0 75 per hr.	1,602 96	279 75	293 87	
D. *Harvey, O.....	Yes	Captain tug "Witherbee"...	Ill health.....	Nov.	1, 1924	63	16 broken periods	130 00 plus all. 0 80 per day	.....	308 00	.....	2,464 00 D.
D. Hawley, E. A.....	Yes	Telegraph agent operator,	Ill health.....	Sept.	1, 1924	64	14 broken periods	138 00 per mo.	.....	276 00	.....	2,208 00 D.
Hay, Jos.....	Yes	Stationary engineer, gr. 2, Winnipeg, Man.	Advanced age.....	Nov.	1, 1924	76	20	1,320 00	1,320 00	220 00	440 00	
Henderson, Em.....	Yes	District resident architect, Victoria, B.C.	Advanced age.....	Nov.	1, 1924	87	31	3,000 00	3,000 00	500 00	1,500 00	
D. Hillas, Julius.....	Yes	Painter, Ottawa.....	Ill health.....	June	1, 1924	51	12	0 65 per hr.	.....	242 45	.....	1,454 70 D.
D. Hollington, Wm.....	Yes	Carpenter, Ottawa.....	Ill health.....	Jan.	1, 2914	73	9	0 75 per hr.	.....	279 75	.....	2,238 00 D.
Horan, Jos. J.....	Yes	Carpenter, Ottawa.....	Ill health.....	Jan.	1. 1924	43	4	0 75 per hr.	.....	279 75	.....	
Horwill, W. E.....	No	Lineman, Hole-in-Wall, Y.T.	Abolition of position	July	1, 1924	37	5	1,800 00	.....	300 00	.....	
Howell, Henry.....	Yes	Carpenter, Ottawa.....	Advanced age and ill health.	Dec.	14, 1923	84	17	0 75 per hr.	1,540 73	279 75	436 54	Deceased 5-4-24.
Jackson, F. N.....	Yes	Telegraph agent operator, Telegraph Creek, B.C.	Failing health.....	Oct.	1, 1924	54	22	1,980 00	1,980 00	330 00	726 00	
Jenkins, Wm.....	Yes	Assistant foreman electrician, Ottawa.	Ill health.....	Nov.	1. 1924	59	34	0 90 per hr.	1,947 32	335 70	973 66	
Johnston, David.....	Yes	Elevator Operator, Ottawa..	Advanced age and failing health.	June	16. 1924	72	13	960 00	960 00	160 00	208 00	
Johnston, Mrs. M. KcI.	Yes	Telegraph agent operator, Kelowna, B.C.	Advanced age and failing health.	Nov.	1, 1924	66	12	1,500 00	1,500 00	250 00	300 00	
Jones, John.....	No	Labourer, Ottawa.....	Advanced age.....	July	1, 1922	81	.....	See foot-note.				
Jones, Thos.....	Yes	Watchman, Toronto.....	Advanced age and failing health.	July	1, 1924	70	22	960 00	960 00	160 00	352 00	
Kearns, Jno.....	Yes	Cleaner and helper, Saskatoon.	Ill health.....	July	1, 1924	65	6	900 00	.....	150 00	.....	450 00
Keays, Miss E. M.....	Yes	Account clerk, telegraph service, Vancouver.	Failing eyesight.....	Nov.	1, 1924	60	22	1,800 00	1,800 00	300 00	660 00	
Kilduff, P. A.....	Yes	Elevator operator, Ottawa..	Advanced age.....	Nov.	1, 1924	65	31	960 00	960 00	160 00	480 00	
Kingston, J. S.....	No	Assistant mechanical engineer, Ottawa.	Advanced age and failing health.	May	1, 1924	71	12	2,580 00	2,466 66	430 00	493 33	
D. Knox, Thos.....	Yes	Caretaker, Port Arthur, Ont.	Physical disability.	April	1, 1924	56	6	800 00 plus. all. 300 00	.....	183 33	.....	1,100 00 D.

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							$ cts.	$ cts.	$ cts.	$ cts.	$ cts.
Public Works—Con.											
Labelle, F.	Yes	Cleaner and helper, Montreal.	Advanced age	Nov. 1, 1924	73	12	900 00	900 00	150 00	180 00	
Labelle, Jos. E.	Yes	Elevator operator, Ottawa.	Advanced age	Aug. 1, 1924	71	18	960 00	960 00	160 00	288 00	
Laflamme, V. Sec. 1 (2).	No	Construction foreman, Ottawa.	Failing health	April 1, 1924	62	24	5 00 per day	1,599 00	260 00	639 60	
Lafortune, Damase.	Yes	Assistant foreman carpenter, Ottawa.	Ill health	July 1, 1924	62	20	0 85 per hr.	1,772 58	317 05	590 86	
D. Lafrance, Jos.	Yes	Labourer, Ottawa	Physical disability	Sept. 1, 1924	61	11 broken periods	0 45 per hr.	.....	167 85	.....	1,342 80 D
*Languedoc, G. DeG.	No	Assistant engineer, Ottawa.	Ill health	May 1, 1924	67	27	2,580 00	2,580 00	430 00	1,161 00	Deceased 28-9-24.
Laplante, J. B.	Yes	Cleaner and helper, Montreal	Advanced age	Nov. 1, 1924	69	17	900 00	891 66	150 00	252 64	
Larose, Chas. C.	Yes	Watchman, Ottawa	Advanced age	Nov. 1, 1924	74	23	960 00	960 00	160 00	368 00	
Leger, Hilaire	Yes	Labourer, Ottawa	Advanced age	Oct. 1, 1924	73	7	0 45 per hr.	.....	167 85	.....	587 47
Lenghen, C. G.	Yes	Painter, Ottawa	Ill health	July 1, 1924	63	14	0 65 per hr.	1,372 06	242 45	320 14	
Liberge, François	Yes	Labourer, Ottawa	Advanced age and ill health.	Nov. 1, 1924	65	24	0 45 per hour	949 01	167 85	379 60	
Logan, David	Yes	Telegraph lineman, Clo-oose, B.C.	Advanced age	Nov. 1, 1924	61	26	132 00 per mo.	1,584 00	264 00	686 40	
MacDonald, Robt. C.	Yes	District Superintendent of Telegraphs, Gr. 2, Edmonton.	Advanced age and impaired health.	Nov. 1, 1924	65	25	3,000 00	2,926 66	500 00	1,219 44	
Malcolmson, Jno.	Yes	Caretaker, Regina, Sask.	Ill health	July 1, 1924	65	18	800 00 plus all. 300 00	1,100 00	183 33	330 00	
Maloney, Mrs. A.	Yes	Telegraph agent operator, Bersimis, Que.	Not qualified for work required.	Nov. 1, 1924	48	24	47 00 per mo.	562 50	94 00	225 00	
Malouin, Alf.	Yes	District Superintendent, Telegraph Service, Anticosti Island.	Advanced age	July 1, 1924	73	30	See foot-note				
Mann, G. G.	No	Lineman, Lloydminster, Sask.	Abolition of position	June 12, 1923	45	21	1,476 00	1,476 00	246 00	516 60	

Mathé, N. M.	Yes	Sr. clerk stenographer, Ottawa.	Failing eyesight.	Nov.	1, 1924	61	32	2,100 00	2,100 00	350 00	1,050 00	
McCulloch, H. J.	Yes	Elevator operator, Toronto.	Advanced age and failing health.	Nov.	1, 1924	67	13	960 00	960 00	160 00	208 00	
McDonald, Norman J.	No	Assistant Telegraph Operator, Bay of St. Lawrence, N.S.	Abolition of position	Nov.	1, 1924	46	3	564 00	.....	94 00	.....	
McKenna, S.	Yes	Messenger clerk, Ottawa.	Advanced age and failing health.	Nov.	1, 1924	73	16	1,000 00	1,000 00	166 66	266 66	
McKenzie, Angus.	Yes	Caretaker, Charlottetown, P.E.I.	Advanced age and failing health.	June	1, 1924	68	28	780 00 plus all. 300 00	1,080 00	180 00	504 00	
McLachlan, Geo. A.	Yes	Agent operator, Dawson, Y.T.	Ill health.	Sept.	1, 1924	46	25	150 00 per mo. plus all. 100 00	2,908 33	500 00	1.211 80	
McLennan, C. J.	Yes	Caretaker, Whitehorse, Y.T.	Advanced age.	Nov.	1, 1924	73	22	1,860 00 plus all. 300 00	2,046 66	360 00	750 44	
McMillan, J. F.	Yes	General repairer, Port Hastings, N.S.	In the interest of efficiency.	Mar.	1, 1924	49	14	900 00	.....	150 00	.....	225 00
Migneault, Alfred.	Yes	Stationary engineer, heating, Gr. 2, Ottawa.	Advanced age and failing health.	Sept.	1. 1924	65	24	1,320 00	1,320 00	220 00	528 00	
Millerwood, Jas.	Yes	Labourer, Rideau Hall, Ottawa.	Physical disability.	Oct.	1, 1924	65	9	0 45 per hr.	.....	167 85	.....	671 40
Mills, Wm. T.	No	Telegraph Lineman, Parksville, B.C.	Abolition of position	Nov.	1, 1924	50	21	132 00 per mo.	1,584 00	264 00	554 40	
Moffett, Paul E.	Yes	Draftsman, Ottawa.	Failing eyesight.	May	1, 1924	46	23	2,100 00	2,100 00	350 00	805 00	
Monette, A.	Yes	Sheet metal worker, Ottawa	Advanced age.	May	1, 1924	66	24	0·80 per hr.	1,567 73	298 40	627 09	
Moore, Geo.	Yes	Labourer, Ottawa.	Physical disability.	Nov.	1. 1924	52	7	0 45 per hr.	.....	167 85	.....	251 77
Moore, Robt.	No	Elevator operator, Toronto.	Ill health.	July	1, 1924	64	13	960 00	960 00	160 00	208 00	
Moriarty, B.	No	Cleaner and helper, Hamilton.	Advanced age and failing health.	July	1, 1924	64	13	900 00	900 00	150 00	195 00	
Morrison, Angus.	Yes	Telegraph Lineman, Tagish, Yukon Territory.	Advanced age,	July	1, 1924	65	17	115 00 per mo. plus all. 50 00	1,897 02	330 00	537 48	
Moyneur, François.	No	Labourer, Ottawa.	Advanced age and ill health.	Sept.	1, 1924	66	19	0 45 per hr.	1,015 61	167 85	321 61	
Nash, Jno. B.	No	Fireman, Ottawa.	Ill health.	May	1, 1924	66	34	1,200 00	1,200 00	200 00	600 00	
Nicholson, Thos.	Yes	Elevator Operator, Hamilton.	Advanced age and ill health.	Nov.	1, 1924	66	36	960 00 plus all. for uniform 22 00	982 00	163 66	491 00	
* O'Brien, C. F. C.	No	Labourer, Victoria Island Shipyard, Ottawa.	Physical disability.	Nov.	1, 1924	62	18	0 50 per hr.	1,153 33	186 50	576 66	
Orr, Samuel.	Yes	Labourer, Ottawa.	Advanced age and physical disability.	May	1, 1924	66	10	0 45 per hr.	994 53	167 85	165 75	

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Authorized by Order-in-Council, 1924

Department and Name	Is Position to be filled?	Position and Place	Reasons for Retirement	Date of Retirement	Age at Retirement	No. of years service	Salary at time of Retirement	Average Salary last three years	Gratuity Sec. 3 (1)	Retiring Annuity Sec. 3 (2)	Retiring Gratuity Sec. 3 (3)
							$ cts.	$ cts.	$ cts.	$ cts.	$ cts.
Public Works—Con.											
Osborne, J. L.....	Yes	General Repairer of Telegraphs, Kegaska, Que.	Physical disability and inefficiency.	Nov. 1, 1924	47	23	672 00	672 00	112 00	257 60	
Osborne, N. P.....	Yes	Carpenter, Ottawa.....	Advanced age and failing health.	Nov. 1, 1924	68	13	0 75 per hr.	1,581 03	279 75	342 55	
* Papillon, U..... Sec. 1 (2).	Yes	Caretaker, Nicolet, P.Q.....	Advanced age.....	June 1, 1924	81	16	780 00	780 00	160 00	256 00	
Paris, Zéphirin.....	No	Foreman Labourer, Victoria Island Shipyard, Ottawa.	Ill health.....	Nov. 1, 1924	63	32	0 60 per hr.	1,349 16	223 80	674 58	
Patterson, Chas. C.....	Yes	Principal Clerk, Ottawa.....	Ill health.....	July 1, 1924	55	28	2,280 00	2,280 00	380 00	1,064 00	
Perkins, Samuel C.....	No	Plumber and Fitter, Ottawa	Ill health.....	June 1, 1924	65	26	0 80 per hr.	1,710 20	298 40	741 08	
D. Perreault, Arthur..	Yes	Fireman, Montreal.....	Ill health.....	Mar. 1, 1924	68	7	1,080 00	.....	180 00	.....	1,260 00 D.
Picard, Nap.....	Yes	Caretaker, Valleyfield, Que.	Physical disability.	July 1, 1924	68	12	780 00 plus all. 300 00	1,080 00	180 00	216 00	
Pilon, Toussaint.....	Yes	Plumber and Fitter, Ottawa	Advanced age and ill health.	April 1, 1924	69	34	0 80 per hr.	1,691 93	298 40	845 96	
Pipe, A. H.....	Yes	Elevator Operator, Calgary.	Interest of efficiency	May 16, 1924	51	8	960 00	.....	160 00	.....	320 00
Pope, E.....	Yes	District Superintendent of Telegraph Lines, Gr. 2, Quebec.	Advanced age.....	Nov. 1, 1924	81	40	2,700 00	2,700 00	450 00	1,350 00	
Pouliot, J. P.....	Yes	Superintendent, Grosse Isle Quarantine Telegraph Line	Ill health.....	Mar. 1, 1924	70	34	1,500 00	1,496 66	250 00	748 33	
Proulx, Jno.....	Yes	Labourer, Ottawa.....	Advanced age and physical disability	July 1, 1924	70	10	0 45 per hr.	966 93	167 85	161 15	
Proulx, Nap.....	Yes	Elevator operator, Ottawa..	Advanced age.....	July 1, 1924	73	28	960 00	960 00	160 00	448 00	
Provost, F. X.....	Yes	Labourer, Ottawa.....	Failing eyesight.....	Sept. 16, 1924	64	12	0 45 per hr.	.....	167 85	.....	671 40
*Quinn, Martin Sec. 1 (2).	No	Teamster, Rideau Hall, Ottawa.	Advanced age and failing health.	Oct. 1, 1924	65	23	20 00 per week	992 78	173 33	380 56	
Quinn, Michael.....	Yes	Watchman, Victoria Island Shipyard, Ottawa.	Advanced age.....	Nov. 1, 1924	76	18	960 00	960 00	160 00	288 00	
Regan, Denis.....	Yes	Stationary engineer, heating, gr. 1, London.	Advanced age and failing health.	Sept. 1, 1924	73	12	840 00 plus all. 300 00	1,140 00	190 00	228 00	

Remillard, Louis	Yes	Elevator operator, Ottawa	Advanced age	Sept. 1, 1924	73	27	960 00	960 00	160 00	432 00	
Riendeau, Avila	Yes	Plumber and fitter, Ottawa	Ill health	July 1, 1924	57	30	0 80 per hr.	1,684 01	298 40	842 00	
Rivers, C. A	Yes	Carpenter, Ottawa	Advanced age and physical disability	May 1, 1924	68	18	0 75 per hr.	1,545 50	279 75	463 65	
Robert, P. G	Yes	Watchman, Montreal	Advanced age	Nov. 1, 1924	84	18	960 00	960 00	160 00	288 00	
Rookes, Thos	Yes	Agent operator, Athabaska, Alta.	Advanced age	July 1, 1924	67	8	1,620 00	..	270 00	.....	1,080 00
Roy, Leon	Yes	Labourer, Ottawa	Advanced age and failing health.	Oct. 1, 1924	74	19	0 45 per hr.	993 62	167 85	314 64	
Roy, Mrs. M. L	Yes	Fyle clerk, Ottawa	Failing health and eyesight.	July 1, 1924	51	23	1,300 00	1,300 00	216 66	498 33	
Rutherford, Thos	Yes	Fireman labourer, Winnipeg.	Advanced age	Nov. 1, 1924	77	9	1,080 00	.....	180 00	.....	720 00
*Sales, Wm	No	Stores clerk, Ottawa	Physical disability	Nov. 1, 1924	71	12	1,260 00	1,260 00	210 00	400 00	
Savard, Hilaire	No	Labourer, Rideau Hall, Ottawa.	Advanced age and failing health.	May 1, 1924	74	13	0 45 per hr.	1,046 95	167 85	226 84	
Sharpe, Jno	No	Architectural modeller, Ottawa.	Advanced age	July 1, 1924	74	17	2,400 00	2,400 00	400 00	680 00	
*Shehyn, A. R	No	Junior architect, Ottawa	Abolition of position	Nov. 1, 1924	55	28	2,040 00	2,040 00	340 00	952 00	
Shepherd, F. H	No	Superintendent of dredges, Vancouver.	Advanced age	Nov. 1, 1924	68	7	3,240 00	.....	540 00	.....	1 890 00
*Simpson, Frank	Yes	Watchman, Toronto	Advanced age and ill health.	Nov. 1, 1924	65	21	960 00	960 00	160 00	416 00	
D. Simpson, Wm	Yes	Labourer, Ottawa	Advanced age and ill health.	Jan. 1, 1923	71	8	0 45 per hr.	.....	167 85	.....	1,342 80 D.
*Sullivan, Dennis	Yes	Carpenter, Ottawa	Advanced age	July 1, 1924	69	18	0 75 per hr.	1,579 50	279 75	473 85	
Taylor, Jas. G	Yes	Head clerk, Chief Architect's Br., Ottawa.	Advanced age and physical disability	June 1, 1924	72	16	2,880 00	2,773 33	480 00	739 56	
Taylor, W. W	Yes	Caretaker, Kamloops, B.C.	Advanced age and ill health.	July 1, 1924	71	14	900 00 plus all. 300 00	1,200 00	200 00	280 00	
Thomson, Robt	No	Mechanical engineer, Winnipeg.	Abolition of position	June 16, 1924	48	8	2,820 00	.....	470 00	.....	470 00
Todd, Robt	Yes	Agent operator, Seventh Cabin, B.C.	Advanced age and ill health.	Nov. 1, 1924	64	17	160 00 per mo.	1,840 00	320 00	521 33	
Trodden, Jas	Yes	Construction foreman, New Westminster, B.C.	Advanced age and ill health.	Nov. 1, 1924	70	15	5 00 per day	1,551 66	260 83	387 91	
Tyers, Chas	Yes	Patternmaker, Ottawa	Advanced age and ill health.	Nov. 1, 1924	75		See foot-note.				
Valiquet, Ulric	No	Engineer, Gr. 2, Ottawa	Advanced age and failing health.	June 1, 1924	67	32	4,500 00	4,430 00	750 00	2,215 00	
Vermette, Théophille	Yes	Messenger clerk, Quebec	Advanced age	Nov. 1, 1924	72	26	900 00	900 00	150 00	390 00	
Vigneault, P. E	Yes	District Superintendent of Telegraphs, Seven Islands, Que.	Advanced age and failing health.	Nov. 1, 1924	66	37	1,500 00	1,500 00	250 00	750 00	
Villeneuve, T	Yes	Labourer, Ottawa	Advanced age	Oct. 1, 1924	69	9	0 45 per hr.	.....	167 85	.....	671 40
Vincent, Geo. E	No	Messenger clerk, Ottawa	Advanced age	Nov. 1, 1924	70	32	900 00	900 00	150 00	450 00	
Voligny, L. R	Yes	Engineer, Gr. 1. Ottawa	Ill health	June 1, 1924	61	29	3,600 00	3,600 00	600 00	1,740 00	

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							$ cts.	$ cts.	$ cts.	$ cts.	$ cts.
Public Works—Con.											
Waterworth, Elijah....	Yes	Caretaker, Glencoe, Ont....	Advanced age and ill health.	July 1, 1924	71	14	780 00 plus all. 300 00	1,080 00	180 00	252 00	
Watson, Wm.....	Yes	Elevator operator, Toronto..	Advanced age and failing health.	July 1, 1924	67	11	960 00	960 00	160 00	176 00	
Whalen, Thos. R.....	Yes	Stationary Engineer, Gr. 2, Ottawa.	Failing health and physical disability	Aug. 1, 1924	62	31	1,320 00	1,320 00	220 00	660 00	
Yerxa, Ludlow.....	Yes	Caretaker, Fredericton, N.B.	Advanced age.....	July 1, 1924	80	24	780 00 plus all. 300 00	1,080 00	180 00	432 00	

Monday, March 9, 1925

The House met at three o'clock.

QUESTIONS ON ORDERS OF THE DAY UNANSWERED

CORRESPONDENCE ON OCEAN SHIPPING RATES

Right Hon. W. L. MACKENZIE KING (Prime Minister): My right hon. friend the leader of the opposition (Mr. Meighen) inquired concerning certain correspondence in the Department of External Affairs between the government of Canada and the British government relating to ocean transport especially in relation to the Imperial Shipping Committee. I beg to lay on the table such correspondence as I have been able to secure.

REPORT

Copies of reports of the Board of Railway Commissioners—Hon. Mr. Graham.

HEALTH OF ANIMALS REGULATIONS

On the Orders of the Day:

Hon. H. H. STEVENS (Vancouver Centre): I desire to bring to the attention of the Minister of Agriculture (Mr. Motherwell) a certain matter of importance in regard to which I shall ask him two questions. For the safeguarding of the health of animals in Canada, certain regulations were passed prohibiting the importation of goods packed in hay or straw—I think fodder is the term generally used—coming from areas in Great Britain or elsewhere infected with the foot and mouth disease. I understand that notice to this effect was given the transportation companies in November, but recently there arrived in Vancouver on one of the Canadian merchant marine ships a cargo, a large portion of which consisted of goods packed in this prohibited material. I am informed that a very substantial part of this cargo has been ordered returned, other portions having been permitted to land. I want to ask two questions: Is it not possible to permit the unpacking of these goods under careful supervision, the packing material to be immediately destroyed, and thus avert a loss to the importer who undoubtedly is innocent in the matter? In the second place, why should local importers be subjected to such loss and inconvenience when the fault rests very largely with the transportation company, in this case with the government merchant marine?

Hon. W. R. MOTHERWELL (Minister of Agriculture): The situation complained of is practically as my hon. friend has stated it, except that additional steps were taken as long ago as August last. The United States government had passed a similar law prohibiting the importation of goods into that country when packed in hay and straw, and as we had a working arrangement with that government whereby we should have regulations of a similar nature with regard to imports from foreign countries, we found it all the more imperative, not only in the interests of Canadian stock but also for the purpose of carrying out our end of the arrangement, to impose this restriction with regard to goods packed in this material coming from countries infected with the foot and mouth disease. However, we allowed goods to come in packed in this way wherever a certificate accompanied them indicating that there was no foot and mouth disease in the exporting country. A number of such shipments came in and we drew the attention of the importers to the fact that this certificate could be obtained from the exporting country. We also extended the time of grace to January 1, hoping that the offenders, who as my hon. friend points out are really the shipping companies and not the innocent importers, might have time to accustom themselves to the regulations. We recognized that we were in the difficult position of being obliged to protect the live stock of the country on the one hand, and, on the other hand, to give as far as possible some consideration to the shipper. So that, as I say, we extended the time to January 1, after which the rule was to be hard-and-fast; and in the meantime we did our best to fumigate and burn all straw coming with such shipments. There was a difficulty, however; we found that shipments of these goods were accumulating at such a rate that it would take an army of officers to fumigate and burn the straw. Finally, therefore, we decided to extend the time to January 15, taking the ground that, after that, under no consideration should the practice be allowed to continue. And we took this ground for several reasons. In the first place, so long as we allowed the goods to land in this kind of packing, the shipping companies apparently would continue to accept such shipments, and the evil would go on in perpetuity. In the second place, we had not a sufficient number of men to take care of all the parcels that were coming in; we could not properly fumigate and dispose of them. And there was a third reason. There is always an element of danger in unpacking these goods, because the moment you begin to fuss with them you increase the opportunities that already exist for the germs to scatter. At the beginning, we usually destroyed the straw in some of the

incinerators, but it was inevitable, in the transportation of such goods, that the infection should spread; and for that reason we decided that we should have to stop receiving the goods at this end. If we did not do something of the kind the shipping companies would continue to accept delivery at the other end, and so the danger would persist. Apparently there is a hardship and I do not know how we shall overcome it, but at the same time we must protect our live stock interests. This matter was brought to my attention by the Minister of Public Works (Mr. King, Kootenay), and if it can be shown, even yet, that a preference should be given to supplies entering into a government contract, such as the dry dock at Vancouver, I am willing to consider the matter further. The trouble, however, is that if we give a preference to one, even though the goods in that case may be delivered by the Canadian merchant marine, it is difficult indeed to see how we can refuse others. Certainly, so long as we receive goods as we have been receiving them, the shipping companies will continue to accept delivery at the other end.

Mr. STEVENS: I should like to ask one other question. Could not some alternative scheme, say at a moderate cost of unpacking and destroying the material, be substituted for the arbitrary order for absolute return, which in many cases will entail very serious losses? Let me illustrate the point without labouring it. I have in mind a company that ordered goods—I am not referring to the dry dock at the moment—upon which they depended to complete a contract within a specified time. As it happens, these goods were not accompanied by the necessary certificate and consequently an order has been issued for their return, so that it may be two or three months before the contractors receive the necessary supplies. The result may be a penalty under the contract. If the minister could provide the alternative of segregating these goods and destroying the fodder, at the cost of the shipper, then at least in an extreme case such as I have mentioned the difficulty might to some extent be overcome. I ask the minister and his colleagues to earnestly consider this in the interests of trade.

Mr. MOTHERWELL: We have been considering it very carefully, Mr. Speaker, but the element of danger is present. I am in receipt quite recently of a number of telegrams from the western provinces urging me to continue these restrictions and to take no chances of the disease being introduced. The telegrams include one from Premier Bracken and another from the live stock interests of Alberta. I know it is a hardship to innocent shippers. In my opinion the right course is to prosecute those shipping companies that are landing embargoed goods on our shores.

Mr. STEVENS: Including the Canadian Government Merchant Marine?

Mr. MOTHERWELL: I do not see why action should not be taken against them if they are landing goods on our shores that have been embargoed and prohibited. However, at the urgent request of my hon. friend (Mr. Stevens) I will look into the matter further, and if there is any way of doing anything without risk to our live stock industry, and without opening the door to everybody else wanting the same treatment, I shall be delighted to act.

NATURALIZATION LAWS AMENDMENT

On the Orders of the Day:

Mr. J. L. BROWN (Lisgar): Ten days ago, Mr. Speaker, I drew the attention of the government to the debate in the British House of Commons on February 18 with reference to proposed changes in the naturalization laws to prevent a woman of British nationality married to an alien from losing her British citizenship. It was stated that the British government were communicating with the dominions in regard to the matter. I asked then whether this government had received any such communication. I repeat the question to-day to the Prime Minister.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I have some information, but I will have to give it to my hon. friend tomorrow, not having it with me at the moment.

CANADIAN GOVERNMENT MERCHANT MARINE

On the Orders of the Day:

Mr. W. A. BLACK (Halifax): Mr. Speaker, I noticed in the press recently a report to the effect that an offer had been made for the purchase of the Canadian Government Merchant Marine as a whole. Would the Minister of Railways (Mr. Graham) inform the House what reply has been made to the offer, and what the intention of the government is in regard thereto?

Hon. GEORGE P. GRAHAM (Minister of Railways and Canals): The attitude of the government, Mr. Speaker, has always been that it was prepared to sell any portion of the merchant marine that was not, in its opinion, necessary for the development of

our trade. Several offers have been made at different times for portions of the fleet. Up to date the government has not considered any of them.

TARIFF RETALIATION

On the Orders of the Day:

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): Mr. Speaker, I wish to read a news item from Saturday's Montreal Gazette, and base a question to the government upon it. It refers to a statement alleged to have been made by the Acting Minister of Finance (Mr. Robb) to the Canadian Council of Agriculture. I notice the minister is not present, but I am pretty sure the Prime Minister can answer my question; or if he cannot I know the Minister of Agriculture (Mr. Motherwell) would try. This is the despatch:

> Ottawa, March 6.—"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, Acting Minister of Finance, asked a delegation from the Canadian Council of Agriculture, which waited on the government this morning.
>
> "The government needs to have some club to handle these fellows," he continued.

May I ask if the Acting Minister of Finance used this language, or language to the same effect?—and is it to be taken as an indication of what we are to expect in the budget? Or is it only indicative of a lucid interval?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I should like to answer my right hon. friend, but I think he will have to wait until the minister returns.

THE RECENT EARTHQUAKE

On the Orders of the Day:

Hon. CHARLES MARCIL (Bonaventure): Mr. Speaker, as I walked into the House this afternoon the hon. member for South York (Mr. Maclean) called my attention to a matter of importance. On the evening of February 28 Ottawa and eastern Canada were visited by a very severe earthquake. As usual, the press reports were very much exaggerated, and Tadoussac, Murray Bay, Baie St. Paul and other north shore towns have been repeatedly mentioned in the despatches, which inform us that tremors continued for several days after the first shocks and that considerable damage has been done in that part of the country. I know the Minister of the Interior (Mr. Stewart) has already sent one of his officials to inspect the district, but I think he would be well advised to have an official report made stating exactly what occurred. We do not want people to imagine that we are in an earthquake belt, but earthquake disturbances may come again, and I think it would be a good thing for the minister to let us know exactly what did take place on the north shore.

Hon. CHARLES STEWART (Minister of the Interior): I may say in reply, Mr. Speaker, that Mr. Hodgson, of the Observatory staff, is now in the Quebec area affected investigating the reported disturbances in the interests of scientific research, but he has received no instructions to bring back details of the damage done.

PRIVILEGE—MR. FOURNIER

On the Orders of the Day:

Mr. C. A. FOURNIER (Bellechasse): I rise to a question of privilege, Mr. Speaker. In to-day's Ottawa Citizen the hon. member for Centre Winnipeg (Mr. Woodsworth) is quoted as having used the following language in addressing a meeting yesterday in Montreal:

> Mr. Woodsworth said in part:
>
> "Although there are only two members of the House elected on the Labour ticket, we are not as weak as you might imagine. The Conservatives, Liberals and even the Progressives—who have asked us to join their forces—have their hands tied; they cannot say what they think, as they were elected by campaign funds and have to stick by what their leader says;

As a Liberal I protest most energetically against that statement.

Mr. J. S. WOODSWORTH (Centre Winnipeg): Mr. Speaker, may I say that I am under obligation to the hon. member (Mr. Fournier) for having brought this matter to the attention of the House? It has already been suggested here to-day that we ought to have accurate statements in the press. I have already given a statement to the newspapers correcting the report. Certainly I did not say anything about campaign funds as applied to those members who come from the prairies.

Mr. CALDWELL: May I ask if the hon. member will include New Brunswick?

Mr. WOODSWORTH: I hope hon. members will admit that it is difficult sometimes for the press to condense into a few paragraphs an address that occupies well on to an hour. I was trying to show what, from our standpoint, as we have attempted to point out from time to time in this House, is one of the evils of the present party system, that the big party requires extensive campaign funds in order—

Some hon. MEMBERS: Order.

Mr. WOODSWORTH: I am explaining my position, Mr. Speaker. And further, that owing to the rigid party discipline which prevails it is extremely difficult for the individual member to express his own particular convictions when they differ from those of the party as a whole. That was the setting of the statements made in my speech in Montreal.

Mr. FOURNIER: Thank you for the apology.

PEACE RIVER RAILWAY OUTLET

On the Orders of the Day:

Mr. D. M. KENNEDY (West Edmonton): I would like to call the attention of the government to a special despatch to the Edmonton Journal, dated February 28, regarding an outlet to the Pacific coast from the Peace river. It says:

> The Minister of the Interior comes out flatly for the least expensive line by way of the Monkman pass.

I would like to ask if that is a statement of government policy regarding the Peace river transportation question?

Hon. CHARLES STEWART (Minister of the Interior): It is not a statement of government policy. The statement is incorrect so far as it intimates that I have come out flatly in favour of the Monkman pass. As one who is deeply interested in an outlet for the Peace river country, I am entirely in favour of an outlet to the westward and have never concealed that attitude. I am in favour of the Monkman pass, or the Peace pass, or the Pine pass, whichever is the most feasible, will serve the country best, and can be constructed the cheapest.

IMMIGRATION ACT—RETURN

On the Orders of the Day:

Mr. A. W. NEILL (Comox-Alberni): I would like to ask the Minister of Immigration if he would bring down the return required by subsection 2 of section 4 of the Immigration Act as amended last year. This section requires the minister, within thirty days of the meeting of parliament, to lay before the House a return of all permits, with the names and particulars, issued by the minister authorizing persons to enter or stay in Canada without being subject to the provisions of the Immigration Act.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I will direct the attention of the Minister of Immigration to the matter. I am sure he will be glad to comply with my hon. friend's request.

PRIVATE BILLS

MANITOBA AND NORTHWESTERN RAILWAY

Mr. C. WALLACE STEWART (Humboldt) moved the second reading of Bill No. 18, respecting the Manitoba and Northwestern Railway Company of Canada.

Mr. MEIGHEN: What has the Minister of Railways to say about this bill?

Hon. GEORGE P. GRAHAM (Minister of Railways): This is a bill for extension of time for construction. The original act was passed in 1893. With respect to several of these bills—my memory does not serve me about this one—I have received communications urging that some steps be taken to have construction proceeded with in cases where the original charters have been extended many times. However, it is the custom to accept the second reading of these bills, more as a form than anything else, and to refer them to the committee on Railway, Canals and Telegraph Lines for discussion as to details, where all the parties can appear. I suppose it is proper for the House to give the second reading, on the understanding that the bill shall go to this committee for full discussion.

Motion agreed to, and bill read the second time and referred to the select standing committee on Railways, Canals and Telegraph Lines.

QUESTIONS

Questions answered orally are indicated by an asterisk).

EMBARGO ON POTATOES

Mr. CALDWELL:

1. Has the government been officially advised that Great Britain has put an embargo on the importation of potaties from Canada into the United Kingdom?
2. If so, when and why was this embargo put into effect?
3. What are the conditions of the embargo?
4. Was the government advised as to the imminence f such action on the part of the Imperial governn ent previous to such action being taken?
5. Was any action taken by the government to attempt to prevent such an embargo being put into effect?
6. If such an effort was made on the part of the Canadian government, what was the nature of the representations made to the Imperial government?
7. Has any effort been made to have these conditions modified?
8. Does Great Britain admit potatoes from any European countries?
9. Does the government know whether conditions alleged to be the cause for the placing of this embargo against potatoes from Canada exist in European countries from which potatoes are admitted into Great Britain?
10. Do such conditions prevail in Great Britain or n any part thereof?

11. Is the government aware that large quantities of potatoes are in railroad transit in this country, or in store at docks ready to be loaded on ship board?

12. If so, will such potatoes be allowed entry into Great Britain if sent forward?

13. Are potatoes originating in the United States of America admitted to Great Britain? If not, why?

Hon. Mr. MOTHERWELL:

1. Yes.

2. Notification was received in a despatch from the Secretary of State for the Colonies, dated February 16, that, on account of the presence of the Colorado beetle in Canada, and the possibility of its introduction into the United Kingdom through importations of Canadian potatoes, the importation of potatoes from Canada after February 20, 1925, was prohibited.

3. The embargo is unconditional.

4. Yes, but unofficially.

5. Yes.

6 and 7. When the possibility of the embargo was first reported, the following cable was sent to the High Commissioner:

Unofficially reported here that British ministry contemplate putting embargo on Canadian potatoes because of presence here of Colorado beetle. This beetle has been in Canada for half century and to take objection to it now would be extremely unfortunate and untimely in view of recent action of United Kingdom looking to promotion of inter-empire trade by establishing marketing committee upon which dominions have been invited to appoint representatives. Urge you have any such suggested action stayed until whole situation is carefully surveyed from all angles as another ill advised cattle embargo incident would be unfortunate.

The following is a quotation from a letter addressed by the High Commissioner to the Right Honourable Lord Bledisloe, Ministry of Agriculture and Fisheries:

I am enclosing a little article which appeared in the Manchester edition of the Daily Mail yesterday headed "U.S.A. Bacon."

You will notice in the last paragraph of this an allusion to potatoes, in case American potatoes should find their way via Canada to this country. As a matter of fact this would be commercially impossible because the duty on potatoes from the United States to Canada is thirty-five cents per 100 pounds and the United States market is always higher than the Canadian, even in times of plenty like the present year, and if they went through Canada in bond they would be bound to be marked U.S.A. potatoes.

You are probably well aware of the care taken in grading and marketing Canadian potatoes. They are run over wire screens for sizes, then bagged, and each bag must have a tag attached by a government inspector, marked "Canadian A", and "Canadian B" or "Canadian C." I may add that the potatoes are examined by two government inspectors—by the original grader and the potato health inspector at the point of shipment.

The information I get is that it is practically an impossibility for the Colorado beetle to appear in any Canadian tuber because, as you know, the slugs feed on the leaf and then bury themselves in the earth, not in the tuber, and the tuber being run over wire screens for sizes and then run again over hand racks at the point of shipment precludes any possibility of them containing anything that might develop into a Colorado beetle.

These representations were, however, unsuccessful and the embargo was placed on Canadian potatoes. The government was, however, successful in inducing the British government to except from the conditions of the embargo any Canadian potatoes afloat at the time the embargo was put into effect.

A further attempt was made to have the restrictions removed the following cable having been sent to the British ministry.

The Entomological branch of the Department of Agriculture has just completed a close biological study of the Colorado beetle and from their study of the habits of the insect, there would appear to be no danger whatever of the beetle being transported in shipments of potatoes exported from Canada.

The Colorado potato beetle in eastern Canada disappears from the plants by the end of September and enters the ground for hibernation. In fact, the large majority of the beetles are in the ground a month earlier. Potatoes exported from Canada to England are dug in October, at which time, as stated, the beetles are inactive, being in hibernation in the ground. After digging, the potatoes are machine-graded before shipment and the danger that any beetles could remain in association with the potatoes through all this process is infinitesimal.

Our officers who have made special observations of this insect have never reported the finding of the beetles in bags, barrels, or other containers in which potatoes are shipped.

During the summer months when the beetles are active, there is a possibility of their being transported with any cargo, but it seems almost inconceivable that the beetles could be introduced with shipments of potatoes which are invariably dug after the beetles have entered the ground for hibernation.

We have no records, nor know of no cases in other countries of the insect having been distributed through shipments of potatoes.

As the department has an established potato inspection service, Canada would suggest that the Imperial government accept shipments of potatoes from this country subject to their being accompanied by certificates as to freedom from Colorado potato beetle due to having undergone such grading and inspection as would permit of such guarantee.

No reply to this has yet been received.

8. Yes.

9. Yes, the Colorado beetle is found in the Bordeaux district in France, but importations from this district are forbidden, while importations from other parts of France must be accompanied by a certificate to the effect that the Colorado beetle is non-existent in the export district.

10. The information supplied by the British Ministry is to the contrary.

11. Replies received from railway companies and the principal shippers would indicate that practically few cars were en route when the embargo went into effect, and all these were immediately diverted to other markets on news of the embargo being received.

12. Answered by No. 11.

13. No. For the same reason that Canadian importations are prohibited, namely, the presence of the Colorado beetle in the United States.

GRAIN ELEVATORS

Hon. Mr. STEVENS:

1. Who prepared plans for the extension to No. 1 elevator, Vancouver, and what was the engineer's estimate of cost?
2. Were tenders called for the erection of said extension, and if so, in what manner?
3. How many firms tendered, and what are the names of such firms or individuals?
4. What was the amount of the lowest tender?
5. At what figure was the contract awarded, and to whom?
6. What is the total cost to date, based on engineer's approved certificates?
7. How much has actually been paid to said contractor?
8. Has contract been completed? If not, what still remains unfinished?

Right Hon. Mr. MACKENZIE KING: I would like to make a reference to this question and also to Nos. 6, 7, 8, and 12. In order to answer these five questions, I may say that in the case of the first two the Harbour Commission of Vancouver has to be communicated with; in the case of the second two, the Harbour Commission of Montreal, and in the case of No. 12, the Harbour Commission at Vancouver. If it is the desire of the hon. members who propose these questions to clear the order paper, these could be put down as orders for returns and the answers would be brought down as soon as replies were received. But if hon. members are unwilling to have that done, the questions will have to stand for a little while.

Mr. STEVENS: If I may be permitted, Mr. Speaker, I would point out that if these questions are passed as orders for returns —and this applies to other cases than that immediately under the attention of the House —the returns may not be brought down until after the session is concluded. I am not injecting any complaint on that point, but I would suggest that while it may be necessary to communicate with these various harbour commissions, the notice of the questions was given on or about 21st February, and had the communications been immediately sent out, seventeen days should have been ample for the receipt of replies from even the most extreme points.

Mr. MACKENZIE KING: I have a memorandum in my hand from the Deputy Minister of Marine and Fisheries, in which he states:

Immediately the questions appeared on the order paper they were forwarded to Vancouver.

[Mr. Motherwell.]

And he intimates that the reply has not yet been received.

Mr. STEVENS: I thank the Prime Minister for that. I would ask, Mr. Speaker, that they stand as questions, and I trust that the government will press these various bodies to hasten their replies.

Mr. DEPUTY SPEAKER: Questions Nos. 5, 6, 7, 8 and 12 stand.

SALES TAX REBATES

Sir HENRY DRAYTON:

By a return dated February 21, 1925, to an order of the House dated July 3, 1924, it is shown that as of date October 16, 1924, out of a total number of 4,486 claims for rebates of sales taxes, 1,907 claims had been checked and paid, leaving 2,563 claims outstanding. How many of these outstanding claims have been checked since the date given in the said return, and how much money has been paid thereon?

Right Hon. Mr. MACKENZIE KING: The information is not yet complete. It is being prepared.

Question stands.

GLASS PRODUCTS

Mr. DESLAURIERS:

1. What was the total value of glass products imported into Canada during the year 1924?
2. What was the total value of said product exported from Canada during the year 1924?
3. From what countries are these goods imported?
4. To what country does Canada export these products?
5. Owing to the specially alarming conditions brought on by the use of machinery to the detriment of the workman in the glass-work factories, has the government the intention of altering the tariff during this session in regard to glass products imported into Canada?

Hon. Mr. MURPHY (for the Secretary of State):

1 and 3. Total value of glass products imported into Canada during the fiscal year ended March 31, 1924, with countries whence received.

Countries whence received	Value
United Kingdom	$1,220,857
Hong Kong	359
Newfoundland	6
Austria	25,061
Belgium	2,308,166
China	1,352
Czecho-Slovakia	122,179
Denmark	1
France	64,613
Germany	430,555
Hungary	196
Italy	10,796
Japan	38,892

Countries whence received	Value
Netherlands	184,010
Sweden	1,206
Switzerland	11,955
United States	3,128,670
Total imports for consumption	$7,548,874

2 and 4. Total value of glass products exported from Canada during the fiscal year ended March 31, 1924, with countries to which exported.

Countries to which exported	Canadian produce	Foreign produce
United Kingdom	169,655	253
Africa, British South	20,834	...
Bermuda	590	139
British East Indies—		
British India	250	...
Straits Settlements	14	...
British Guiana	3,438	...
British Honduras	168	...
British West Indies—		
Barbados	1,280	...
Jamaica	15,006	260
Trinidad and Tobago	14,759	...
Other	2,966	49
Hong Kong	40,347	...
Newfoundland	13,281	856
Oceania—		
Australia	7,153	...
Fiji	235	...
New Zealand	60,095	...
Other	30	...
Argentine Republic	912	...
Belgium	12	...
Brazil	54	...
China	1,316	315
Colombia	22	...
Cuba	179	...
France	5,635	...
St. Pierre & Miquelon	348	223
Germany	...	18
Mexico	24	...
Peru	75	...
Portugal—		
Portuguese Africa	314	...
Turkey	102	...
United States	320,425	301,165
Alaska	17	...
Hawaii	15	...
Philippines	10	...
Total exports	679,561	303,278

5. Announcement as to tariff changes is made only on the floor of the House by the Minister of Finance.

CANNING MACHINERY

Mr. GRIMMER:

1. During May or June, 1924, was a shipment of canning machinery, for use as equipment in a fruit or berry canning factory in British Columbia, admitted into Canada without duty being paid?

2. If so, is it the intention of the government to authorize by order in council such duty exemption or the refund of such duty if same has been paid?

3. During June, 1924, was duty collected from other importers on canning machinery similar to that mentioned in question 1?

4. If so, is it the intention of the government to make a refund of the duty paid by importers mentioned in question 3?

5. Has there been discrimination in the manner in which different importers were treated in connection with importation of canning machinery?

6. If so, what justification, if any, has the government for such discrimination?

Hon. Mr. LOW (for the Minister of Customs): This inquiry should be made an order for return as it is necessary for the department to communicate with the ports to ascertain if canning machinery of the class mentioned was imported in June, 1924, and duty collected thereon from other importers, as such machinery is not separately enumerated in the Customs statistical classification but is included in the general item of machinery.

GLACE BAY POSTMASTERSHIP

Mr. CHAPLIN:

1. When did the postmastership of the town of Glace Bay become vacant?

2. Who has been filling this position and is it being filled temporarily or has a permanent appointment been made?

3. What applications were received by the Civil Service Commission?

4. Which applicants were returned soldiers?

5. Why has a permanent appointment not been made?

6. Is it the intention to disregard the applications from returned soldiers possessing the necessary qualifications?

Hon. Mr. MURPHY (for the Secretary of State):

1. 4th June, 1924.

2. Temporarily by J. D. Cameron who was formerly assistant postmaster for twelve years.

3. Joseph Robert Burchell, Charles Felix Gallant, Joseph James Gillis, Alexander McDougall, William Ogilvie McKinlay, John Duncan Cameron, Hugh Lynk, Peter A. McDonald, Peter McIntyre, Marceline Poirier, Charles Severn, Mrs. Ada Walker.

4. Joseph Robert Burchell, Charles Felix Gallant, Joseph James Gillis, Alexander McDougall, William Ogilvie McKinlay.

5. Because of financial losses sustained by the department in the Glace Bay post office and the valuable services rendered by acting postmaster Cameron in readjusting the local administration of the post office, the department and the commission have deemed it

advisable to make careful inquiries regarding the character and suitability of the various applicants for the reason that Glace Bay post office is a revenue office where the postmaster engages and pays his own staff. If the latter are not skilled in post office knowledge and experience they will be of little assistance to a postmaster not familiar with post office regulations. As soon as the inquiries in question have been completed the case will be referred for action by the Civil Service Commission.

6. No.

GOVERNMENT PROPERTIES—MONTREAL

Mr. DENIS (St. Denis):

What properties, vacant or otherwise, are owned by the federal government in the city of Montreal, and where are they located?

Hon. Mr. MURPHY (for the Secretary of State):

Department of Marine and Fisheries—

All the properties under the administration of the Harbour Commissioners of Montreal are owned by His Majesty in the right of the Dominion government, and are located on the harbour front from a point just below the Victoria bridge to Bout de l'isle,—not including the Lachine canal basin.

Department of National Defence—Militia Service—

Drill Hall, Craig street, site owned by city leased to federal government; Drill Hall, Bleury street, Royal Highlanders; Drill Hall, Pine avenue and Henry Julien st., 65th Regiment; Drill Hall, 578 Wellington st., 4th Field Company; Drill Hall, Esplanada ave., and Rachel st., Grenadier Guards; Lafontaine Park, Sherbrooke and Lafontaine sts., leased to city of Montreal; Isle aux Fraises, St. Lawrence river, vacant; Champ de Mars, Craig and St. Gabriel sts., leased to city of Montreal; Military Cemetery, Papineau ave., Cemetery Plots, Notre dame des Neiges cemetery; Cemetery Plots, Mount Royal cemetery.

Department of Public Works—

Post Office, General, St. James and St. Francois Xavier sts.

Postal Station "A", 571 St. James st.

Postal Station "B", 324 St. Catherine West.

Postal Station "C", St. Catherine Corner Plessis.

Postal Station "D", 317 Centre.

Postal Station "E", 1832 St. Lawrence boulevard.

Postal Station "F", Notre Dame and Richmond sts.

Postal Station "G", Pine avenue and Arcade st.

Postal Station "H", St. Catherine and Bishop.

Postal Station "S", 222 Monk boulevard.

St. Henri, 12 Place st.

Hochelaga, 1606 St. Catherine st. E.

Old Custom House, Common and Commissioner sts.

Old Examining Warehouse, Common and McGill sts.

New Customs Examining Warehouse, McGill and Youville sts.

Customs Canal Office, Lock No. 2 Lachine canal.

Immigration Detention Hospital, St. Antoine st., near Windsor.

Public Works Building, St. Paul st., and Place Royale.

Drill Hall, Craig st., opposite Champs de Mars.

Vacant—

Pneumatic Station, St. James st., St. Felix st. and Imperial avenue.

Postal "R", St. Denis near Beaubien.

Maisonneuve, Ontario st., near market square.

Adjoining Municipalities—

Westmount Postal "L", Green and Western avenue.

Westmount Ordnance Stores, 1 Hillside avenue.

Westmount (vacant), Sherbrooke and Strathcona ave.

St. Laurent Postal "O", d'Eglise st.

Verdun Postal Station, Church st., near Verdun st., (now being erected).

Lachine Postal Station, 384 St. Joseph st.

Department of Railways and Canals—

The land owned by the Department of Railways and Canals in the city of Montreal consists of the right of way of the Lachine Canal. This is located between the city limits and Montreal harbour. From the city limits to the Canadian Pacific Railway swing bridge, the right of way is about 450 feet wide; from the Canadian Pacific Railway swing bridge to the Canadian National Turcot yard, the width is about 600 feet; from Turcot yard to Cote St. Paul the width varies from 450 to 300 feet; from Cote St. Paul to St. Gabriel lock, the width is about 300 feet, and between St. Gabriel lock and the mouth of the canal there is considerable extra land for basins. Practically all of the land that is not required for canal purposes is under lease to industries or shippers dependent on the canal.

RECEIPT AND CHECK TAX—REVENUE

Mr. McTAGGART:

What was the total revenue in the year 1924 from the sale of stamps on receipts and checks?

Hon. Mr. MACDONALD (for the Minister of Customs and Excise): It is not possible to state the revenue from the sale of excise tax stamps for use on receipts and checks, as such stamps are also used on money orders, notes, bills of exchange, bank drafts and overdrafts, stock certificates and bonds.

The total revenue derived from the sale of excise tax stamps during 1924 was $9,300,714,-73.

FEDERAL AND PROVINCIAL TAXATION

Mr. CHURCH:

1. Has anything been done by the government to meet the Ontario government and co-ordinate federal and provincial taxation to prevent duplication and overlapping, on income, amusement and other forms of taxation, since last session?
2. If so, what action has been taken?

Right Hon. Mr. MACKENZIE KING: In regard to this question, Mr. Speaker, I would ask for your ruling as to whether it is a proper question for the government to reply to.

Mr. DEPUTY SPEAKER: Let it stand. I would like to consider that matter.

Sir HENRY DRAYTON: Perhaps the right hon. the Prime Minister would indicate wherein that question is wrong.

Mr. MACKENZIE KING: I do not know what my hon. friend means by "has anything been done by the government to meet the Ontario government?"

Sir HENRY DRAYTON: To get together. It was the policy of the government before.

Mr. MEIGHEN: I understand there was a conference.

Mr. MACKENZIE KING: There has been a conference, yes.

Mr. MEIGHEN: I suppose a full report of the results of the conference would be necessary.

Mr. MACKENZIE KING: Very well.

RURAL CREDIT SYSTEM

Mr. JELLIFF:

In pursuance of the 13th report of the Standing Committee on Banking and Commerce concurred in July 18, 1924, recommending that legislation for the establishment of a rural credit system be prepared and submitted to parliament at this session, will the government submit such legislation to parliament during this session?

Right Hon. Mr. MACKENZIE KING: This matter is under consideration.

GOVERNMENT MOTOR CARS

Mr. SIMPSON:

1. How many passenger motor cars have been purchased by the government, for use in the district immediately surrounding the city of Ottawa, and including the city, since January 1, 1922?
2. What is the total amount expended for the purchase of passenger motor cars since January 1, 1922?
3. How many chauffeurs are in the employ of the government, at the present time, in the city of Ottawa and immediate district?
4. What is the total amount of salary paid to the said chauffeurs during the present fiscal year to date?

Right Hon. Mr. MACKENZIE KING: The information requested by this is similar to the information asked for in a notice of motion for production of papers by the same hon. member. There would be no objection to giving the information asked for in the form of a return, and I think that would answer the question.

Mr. DEPUTY SPEAKER: Dropped.

Mr. MEIGHEN: That question cannot be dropped without the consent of the hon. member. The question is not out of order because the information is asked for in a return.

Mr. DEPUTY SPEAKER: There cannot be a return also.

Mr. MEIGHEN: Why can't there?

Mr. MACKENZIE KING: I submit it is in the province of the government to determine whether a question should be answered in the form of a return or by direct reply. This same information is being asked for by the hon. member in motion No. 9 on page 17. We are quite prepared to bring down the return.

Mr. DEPUTY SPEAKER: Answered.

Mr. SIMPSON: This question refers to passenger motor cars, whereas the motion for a return refers to all motor cars.

Mr. GRAHAM: The return would include both.

Mr. SIMPSON: If the information is given separately in the return, there would be no trouble.

Mr. MACKENZIE KING: That would be done.

BLACKFOOT INDIAN RESERVE—WHEAT

Mr. GARLAND (Bow River):

1. What was the total quantity of wheat raised by the Indians on the Blackfoot Indian Reserve in Alberta during 1923 and 1924?
2. How much of this wheat has been marketed?
3. What was the average price received in each year?
4. Was this wheat delivered to the Alberta Co-operative Wheat Producers? If not, to whom was it sold?

Hon. Mr. STEWART:

1. 1923, 136,114 bushels; 1924, 60,756 bushels.
2. Of this quantity all grain was marketed except that held for seed by Indians.
3. Average price received: 1923, 76 cents per bushel; 1924, $1.32 per bushel.
4. No grain was delivered to the Alberta Co-operative Wheat Producers; Grain sold to Alberta Pacific Grain Company, Parrish and Heimbecker National Elevator Co., N. Bawlf Grain Company.

MERCHANDISE IMPORTATIONS

Mr. RINFRET:

1. What was total amount of merchandise imported into Canada from England during years 1923 and 1924 respectively?
2. How much of said merchandise entered Canada through Canadian ports and how much through American ports during the years 1923 and 1924 respectively?

Hon. Mr. LOW:

1 and 2. Statistics of trade with "England" are not separately compiled. The term "United Kingdom" includes the whole of "the United Kingdom of Great Britain and Ireland" for the fiscal years ended March 31, 1923 and 1924. Statistics of imports therefrom are as follows:

	Fiscal Years ended March 31	
	1923	1924
Total Imports (merchandise) into Canada from United Kingdom	$141,330,143	$153,586,690
Imports through United States.. ..	2,914,881	932,224
Imports direct to Canadian ports..	138,415,262	152,654,466

PUBLIC DEBT

Mr. RINFRET:

1. What was the amount of the public debt of Canada on March 31, 1914?
2. What was the said debt on the following dates: March 31, 1918; March 31, 1921; March 31, 1922; March 31, 1924?

Hon. Mr. MACDONALD (for the Minister of Finance):

1. March 31, 1914, $335,996,850.14.
2. March 31, 1918, $1,191,884,062.50; 1921, $2,340,878,983.69; 1922, $2,422,135,801.73; 1924, $2,417,783,274.88.

ONTARIO AMUSEMENT TAX

Mr. CHURCH:

1. Will the government, or the Acting Minister of Finance, look into the validity of a certain war tax imposed during the war by the Ontario government and called an amusement tax. and since continued?

[Mr. E. J. Garland.]

2. Does said tax not invade the federal field under "Militia and Defence," and is not said tax a restraint of trade and commerce, and contra to the terms and conditions on which the province receives a federal subsidy to aid maintaining provincial institutions?
3. Are not such forms of direct taxation an invasion of the federal field?
4. What is the policy of the government, if any, as a matter of policy to safeguard federal authority in such matter?

Hon. Mr. LAPOINTE:

1, 2, 3 and 4. Such matters are considered by the government in due course as they arise.

ONTARIO GASOLINE TAX

Mr. CHURCH:

1. Will the government, or the Acting Minister of Finance look into the question of the validity of legislation of the province of Ontario to tax gasoline three cents per gallon, and as to whether said tax does not invade the federal field, and also whether said tax is ultra vires of the province on the following and on other grounds: (a) That it is a restraint of trade and commerce; (b) The said tax affects the body politic, and could only be imposed by federal authority as defined in the judgment of the Privy Council in what is known as the "Through Traffic Case"; (c) It is a direct tax and not an indirect tax within the province, and is a tax outside the scope of the subjects set out in section 92 of the B.N.A. Act (1867); (d) It affects "works and undertakings" declared to be for the general advantage of Canada, and proposes to restrain the conduct of these works and undertakings; (e) The said tax is ultra vires of the province under the acts, contracts and agreements by which the federal government granted the province of Ontario federal aid to highways, and on other grounds?
2. What action, if any, is taken by federal authority to prevent encroachment as aforesaid of the federal field by the provinces in taxation matters?

Hon. Mr. LAPOINTE:

1 and 2. The matter will receive consideration in due course.

MOTT'S WHARF, N.B.

Mr. JONES:

1. What was the total cost of the Mott's wharf, parish of Cambridge, Queens county, New Brunswick?
2. Were tenders called for the erection of said wharf?
3. Who were the tenderers and what was the amount of each tender?
4. To whom was the contract awarded?
5. If work was done by day labour, who was superintendent, and how much time did he work, and what rate of pay did he receive?
6. How many labourers were engaged on the work, what are their names and what amount did each receive?
7. What material was used, who supplied same, and what was the cost?

Hon. Mr. KING (Kootenay): The wharf referred to was built by the government of the province of New Brunswick, and this department has no record as to its cost and how constructed. This was one of the wharves transferred to the Dominion government by the provincial government.

REV. FATHER MacDONNELL

Mr. BOWEN:

1. Is the Rev. Father MacDonnell, of the Scottish Immigration Aid Society, an official representative or agent of the federal Immigration department?
2. If so, when was he appointed as such?
3. What salary does he draw?
4. How much, if any, has the federal government advanced to him, or to the Scottish Immigration Aid Society, for immigration work, from January 1, 1922, to January 31, 1925?

Hon. Mr. STEWART (for the Minister of Immigration):

1. Yes, in connection with immigration to Canada from Scotland.

2. First engaged in May 1921 but not continuously in the service of the department since that time.

3. $150 per month plus actual living and travelling expenses.

4. To Rev. Andrew MacDonnell—

1922-23	$1,943 53	(travelling expenses)
1923-24	1,472 96	(salary and expenses)
*1924-25	3,740 50	(salary and expenses)
Total	$7,156 99	

To Scottish Immigration Aid Society—

1922-23	$1,000 00	
1923-24	4,000 00	
1924-25 (To Jan. 31).	8,300 00	
Total	$13,300 00	

GOVERNMENT ELEVATOR SCREENINGS

Mr. KENNEDY (Edmonton):

Under what terms and conditions are screenings disposed of at the Dominion government elevators at Calgary and Edmonton?

Hon. Mr. LOW:

The majority of the screenings from grain received at the Canadian government elevators at Calgary and Edmonton are not the property of the elevator as they are removed from wheat carrying a dockage amounting to 3 per cent or over, and coarse grains 5 per cent or over, and, therefore, belong to the owners of the grain. Warehouse receipts are issued for these screenings and the screenings are shipped upon instructions of the owners and the surrender of the warehouse receipts. The elevators have absolutely no control over the disposition of these screenings.

In the case of screenings which accrue to the elevator in lieu of cleaning charges, that is, screenings from wheat carrying less than 3 per cent dockage and coarse grains carrying less than 5 per cent dockage, they are practically all disposed of to stock feeders in the two cities named at current market prices.

No contracts or agreements are entered into for the sale of these screenings. They are sold whenever available to any parties desirous of purchasing, preference being given to farmers and stock feeders.

POTATO IMPORTATIONS

Mr. DOUCET:

1. Through which ports of entry were potatoes admitted into Canada during the year 1924?
2. What quantities were admitted at each port?

Hon. Mr. MOTHERWELL (for the Minister of Customs and Excise):

1 and 2. Quantities of potatoes imported and entered for consumption at each port in Canada during the fiscal year ended March 31st, 1924.

Port	Pounds
Nova Scotia:	
Halifax	22,540
Liverpool	3,000
New Glasgow	4,440
Sydney	7,900
Yarmouth	5,300
New Brunswick:	
St. Andrews	5,180
St. John	3,300
Woodstock	48,680
Prince Edward Island:	
Charlottetown	400
Quebec:	
Athelstan	1,430
Beebe Junction	1,000
Montreal	4,703,300
Quebec	39,960
St. John's	6,135
Sherbrooke	166,563
Ontario:	
Amherstburg	39,060
Brantford	257,910
Bridgeburg	365,635
Brockville	23,080
Chatham	134,325
Cornwall	600
Fort Frances	92,855
Fort William	12,020
Guelph	34,000
Hamilton	813,565
Kenora	500
Kingston	66,000
Kitchener	32,670
London	453,900
Niagara Falls	489,565
North Bay	227,703
Ottawa	1,026,090
Owen Sound	59,600
Port Arthur	39,910
Prescott	11,370
St. Catharines	63,000
St. Thomas	81,750

Port	Pounds
Ontario—Concluded	
Sarnia	117,050
Sault Ste. Marie	166,477
Sudbury	84,780
Toronto	8,582,907
Wallaceburg	18,700
Whitby	1,300
Windsor	1,665,340
Manitoba:	
Emerson	15,900
Gretna	9,000
Winnipeg	1,144,685
Saskatchewan:	
Moose Jaw	3,033
Regina	2,500
Saskatoon	2,400
Alberta:	
Calgary	55,432
Lethbridge	1,200
British Columbia:	
Abbotsford	5,000
Cranbrook	2,951
Fernie	14,443
Nanaimo	180
Nelson	75,140
New Westminster	151,000
Penticton	1,140
Prince Rupert	5,740
Revelstoke	42,268
Rossland	33,220
Vancouver	3,015,716
Victoria	51,977
Yukon:	
Dawson	150,736
White Horse	103,525

CANADA-UNITED STATES FISH SHIPMENTS

Mr. HANSON:

Is it the intention of the government to restore the so-called Modus Vivendi whereby United States fishermen were permitted to land their catches at Canadian ports and ship them into the United States free of duty, and were also permitted to outfit and bait at Canadian ports?

Hon. Mr. CARDIN: The intention of the government in this regard will be made known in due time. Meantime the present arrangement will be adhered to.

DOMINION IMMIGRATION CONFERENCE

Mr. CARROLL:

What are the names of the delegates from the Maritime provinces who attended the Immigration Conference held in Ottawa during November, 1923, and what amount was paid to each by the Department of Immigration and Colonization, as expenses?

Hon. Mr. STEWART (for the Minister of Immigration):

Nova Scotia—Hon. D. A. Cameron & W. B. McCoy, $265.00.

[Mr. Motherwell.]

New Brunswick—Hon. David Mersereau, $72.45; Hon. J. E. Michaud, $75.00.

Prince Edward Island—Hon. John Myers, $86.05.

TAX FREE BONDS

Mr. GARLAND (Bow River):

1. What is the total value of tax-free bonds maturing on or before December 1, 1925?
2. What is the total value of all bonds for which the government is responsible, maturing on or before December 1, 1925?
3. How does the government propose to meet this indebtedness?

Hon. Mr. MACDONALD (for the Minister of Finance):

1. $42,014,500.

2. Including short-term obligations, $164,347,833.

3. This is a matter of financing concerning which the Acting Minister of Finance is not in a position at this date to make any statement.

OIL DRILLING MACHINERY IMPORTATION

Mr. WILSON:

1. What amount of oil well drilling machinery was imported into Canada during the years 1922, 1923 and 1924?
2. From what countries were the importations made?
3. What duties, if any, were collected?

Hon. Mr. LOW (for the Minister of Customs and Excise):

1. & 2. Imports entered for consumption in Canada during the fiscal years ended March, 1922, 1923 and 1924 of "Well drilling machinery and parts and apparatus of a class or kind not made in Canada, drawn or seamless iron or steel, tubing over four inches in diameter for drilling for water, natural gas or oil, and for prospecting for minerals, not to include motive power."

	Fiscal year 1922	Fiscal year 1923	Fiscal year 1924
United Kingdom	$ —	$ —	$ 1,146
Newfoundland	180	—	—
United States	47,503	45,052	62,662
Total	47,683	45,052	63,808

Other well drilling machinery is not separately enumerated in the Customs Classification of Imports but is included in the general classification of machinery. No information respecting duty paid on oil well drilling machinery is included in this classification.

3. The imports shown above were free of duty.

IMMIGRATION EXPENDITURE

Mr. KELLNER:

What amount of money did the government spend in 1924 in assisting immigration, (a) in regard to assisted railway or ocean fares; (b) for assistance in land settlement; (c) for assistance in keep of immigrants?

Hon. Mr. STEWART (for the Minister of Immigration):

(a) $290,392.58 advanced under Empire Settlement Act and to be repaid to the department by those who received assisted passage.

(b) No expenditures.

(c) The following grants for 1924 were made to organizations receiving and maintaining immigrants, pending their placement in situations,—

Calgary Hostel	$ 600 00
Halifax Hostel	350 00
Regina Hostel	750 00
St. John Hostel	500 00
Toronto Hostel	500 00
Vancouver Hostel	250 00
Winnipeg Hostel	750 00
Montreal Hostel	3,500 00
Scottish Immigration Aid Society	8,300 00
Total	$15,500 00

The grant to the Scottish Immigration Aid Society is made in connnection with its farm at Red Deer, Alta., where new arrivals from Scotland are received and maintained until employment is secured for them, or until they become established on farms for themselves. The sum paid to the society in 1924 included $1,500.00, balance of appropriation for the fiscal year 1923-24.

SOLDIER SETTLEMENT LANDS—REVALUATION

Hon. Mr. MANION:

Is it the intention of the government at this session of parliament to make a revaluation upon the lands given out in past years to soldier settlers by the Soldier Settlement Board?

Hon. Mr. STEWART (for the Minister of Immigration): The matter is now receiving consideration.

LAND SETTLEMENT—IMMIGRANTS

Mr. IRVINE:

1. How many immigrants were brought to Canada in the year 1924 as a result of the services of the Land Settlement Board?

2. Of such immigrants, how many were actually employed on farms?

3. How many of these immigrants have remained on farms for a period of (a) 6 months; (b) 3 months?

Hon. Mr. MOTHERWELL (for the Minister of Immigration):

1. The Land Settlement branch has not been engaged in the actual work of bringing immigrants to Canada but. under a reorganization of the Department of Immigration and Colonization, the duties of the Land Settlement branch have been extended to include the work of assisting in the settlement of incoming immigrants.

2 and 3. Answered by No. 1.

QUESTIONS PASSED AS ORDERS FOR RETURN

CANADIAN PACIFIC—GRAIN SHIPMENTS

Mr. HUDSON:

1. How many tons of grain did the Canadian Pacific railway haul to Fort William and Port Arthur during the calendar year 1924?

2. What was the number of ton miles?

3. What was the rate per ton mile?

4. What was the average haul?

5. How many tons of grain did the Canadian Pacific railway haul to Vancouver in the calendar year 1924?

6. What was the number of ton miles?

7. What was the rate per ton mile?

8. What was the average haul?

9. What was the total percentage of grain hauled in western territory to the entire revenue tonnage of that territory in 1924?

10. What percentage of the total ton miles in the western territory in 1924 did grain produce?

11. What was the percentage of the total freight revenue carried in western territory in 1924 by the carriage of grain?

CANADIAN NATIONAL—GRAIN SHIPMENTS

Mr. HUDSON:

1. How many tons of grain did the Canadian National railways haul to Fort William and Port Arthur during the calendar year 1924?

2. What was the number of ton miles?

3. What was the rate per ton mile?

4. What was the average haul?

5. How many tons of grain did the Canadian National railways haul to Vancouver in the calendar year 1924?

6. What was the number of ton miles?

7. What was the rate per ton mile?

8. What was the average haul?

9. What was the total percentage of grain hauled in western territory to the entire revenue tonnage of that territory in 1924?

10. What percentage of the total ton miles in the western territory in 1924 did grain produce?

11. What was the percentage of the total freight revenue carried in western territory in 1924 by the carriage of grain?

IMPORTATION OF FARM PRODUCTS

Mr. DOUCET:

What were the importations into Canada from United States and from other countries, respectively, during the year 1924, of the following farm products: (a) live cattle; (b) horses; (c) sheep; (d) fresh fruits; (e) dried fruits; (f) grain; (g) meats, including beef and pork products; (h) dairy products; (i) seeds; (j) potatoes. turnips and sugar beets; (k) eggs; (l) wool; (m) all other farm products not enumerated above?

INCOME TAX OFFICES

Hon. Mr. MANION:

1. How many Dominion government taxation offices for collection of income taxes are there in Canada?

2. Where are they situated?
3. What is the amount of income taxes collected in each such office?

ROYAL COMMISSIONS

Mr. FORRESTER:

1. How many Royal commissions were appointed by the federal government from November 1, 1911, to December 31, 1921?
2. What was their personnel?
3. What was the cost of each?

RAW SUGAR

Mr. WALLACE:

1. From what countries was raw sugar imported into Canada, and how much from each, during the years 1920, 1921, 1922, 1923 and 1924?
2. What was the aggregate amount of customs duties paid thereon (a) under the general tariff and (b) under the preferential tariff?
3. From what countries was refined sugar imported into Canada and how much from each, during the above-mentioned years?
4. What was the aggregate amount of customs duties paid thereon (a) under the general tariff and (b) under the preferential tariff?

Mr. WALLACE:

During the fiscal years 1920, 1921, 1922, 1923 and 1924, what drawbacks of duties on raw sugar were paid in respect of (a) sugar exported; and (b) sugar consumed in Canada?

UNOPPOSED MOTIONS FOR PAPERS

SPILLERS ELEVATOR

Mr. BLACK (Yukon):

For a copy of all letters, telegrams, documents and correspondence, between January 1, 1922 and February 25, 1924, between R. H. Gale and any minister or official of the Dominion government; and, between R. H. Gale and the Vancouver Harbour Commission, and between Vancouver Harbour Commissioners and any minister or official of the Dominion government; and, between any representative of the Spillers interests and the Harbour Commissioners, and, or any minister of the Crown and official of the government, regarding the negotiations for lease or sale of certain waterfront property in the Vancouver harbour, upon which is now erected what is known as the Spillers elevator, and which property lies immediately east of the Vancouver Harbour Commissioners elevator No. 1. Also, copy of any letters, agreements, schedules of fees, assignments, transfers, and other documents appertaining thereto.

CANADIAN NATIONAL RAILWAYS—SUDBURY RENTALS

Mr. LAPIERRE:

For a copy of all correspondence, documents and communications exchanged between the officials of the Canadian National Railways and the owners of the Sudbury Star building, Sudbury, Ontario, relating to the rental of offices in Sudbury.

MRS. PIERRE F. BOUDREAU

Mr. DOUCET:

For a copy of all correspondence and other documents received by the Post Office department, relating to the dismissal of Mrs. Pierre F. Boudreau, as Postmistress of Inkerman, Gloucester county, New Brunswick, and the appointment of the present postmaster.

[Mr. Manion.]

GRAND ETANG PIER

Mr. BLACK (Halifax):

For a copy of all correspondence, vouchers, paylists, and other documents, in connection with repairs effected to the piers at Grand Etang, Inverness county, Nova Scotia, during the fiscal years 1922-23 and 1923-24.

ADAMSVILLE-BEERSVILLE SERVICE

Mr. DOUCET:

For a copy of all correspondence and other documents received by the Post Office department since January 1, 1924, with reference to giving a direct mail service between Adamsville and Beersville, in the county of Kent, New Brunswick.

DESPRES VILLAGE—POST OFFICE

Mr. DOUCET:

For a copy of all correspondence and other documents received by the Post Office department during the year 1924, relating to the reopening of a post office at Després Road or Després Village, Kent county, New Brunswick.

YUKON GOVERNMENT OFFICIALS—INCOME TAX EXEMPTION

Mr. BLACK (Yukon) moved:

For a copy of all correspondence, documents, statements and communications concerning exemption or partial exemption from payment of income tax on payments or remuneration, whether paid as salary, living allowance or otherwise, by the government of Canada to officials of Yukon Territory, and showing what exemptions (if any) from income tax have been allowed to Yukon officials on amounts paid them by the government of Canada during the past seven years.

Right Hon. W. L. MACKENZIE KING: I think there is no objection to bringing down any of the papers called for other than such as may properly be regarded as confidential.

Motion agreed to.

CANADIAN NATIONAL RAILWAYS—EMPLOYEES' SALARIES

Mr. CHAPLIN (for Mr. Hanson) moved:

For a return showing by districts or regions the number of employees in each of the following classes and the average annual compensation for each employee of such class of the Canadian National Railways:—receiving under $1,000 per year; receiving $1,000 per year or over but under $2,000; receiving $2,000 per year or over but under $3,000; receiving $3,000 per year or over but under $4,000; receiving $4,000 per year or over but under $5,000; and so on until all classes are complete.

Hon. Mr. GRAHAM: The hon. member I think is not in his seat. When this was up the other day I suggested that it should be put under the notices of motion without the star, that is, under Notices of Motion. The hon. member suggested that he would talk to me about it before anything was done. It is possible this may be dropped, but I would hate to take any action in his absence.

Motion stands.

GOVERNMENT PURCHASE OF MOTOR CARS

Mr. T. E. SIMPSON (West Algoma) moved:

For a return showing the number of motor cars purchased by the government, since January 1, 1922, the make of said cars, the total price paid for each, the date of purchase, to what duty assigned or by whom used, the total amount of gasoline purchased. Also showing the number of buildings in which the said motor cars are housed, showing when owned by the government, date purchased and at what price, and when rented, what rental and when leased. Also showing the number of employees engaged in the care and upkeep of said motor cars, and the total amount spent on repairs to these cars, since January 1, 1922.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I have already intimated that we will be prepared to give the information asked for. I should like, however, to amend this resolution so as to furnish the House with a little more information than is sought. The motion asks for information with respect to cars purchased since January 1, 1922. I would suggest that the motion be changed so as to apply to purchases made since January 1, 1912.

Mr. MEIGHEN: The Prime Minister will indicate in each case the car purchased for ministers and not in relation to officials with respect to war service.

Amendment agreed to.

Motion as amended agreed to.

THE SENATE

APPOINTMENT AND CONSTITUTION—RESOLUTION PROPOSED BY MR. SHAW

Mr. JOS. T. SHAW (West Calgary) moved:

That, in the opinion of this House, the Senate as at present appointed and constituted is not of the greatest advantage to Canada.

He said: Mr. Speaker, I make no apology in proposing this resolution. I realize fully that many experienced parliamentarians will look askance at, perhaps resent, the humble effort of one so unexperienced as myself in proposing this problem for the consideration of the House. But I think my defence, and an ample one, is to be found in the fact that public opinion has pressed this long standing question to the very gates of parliament itself; and if, perchance, as a result of the discussion of this resolution the subject of Senate reform is pushed just a little bit closer toward a satisfactory solution, then I shall indeed have had ample compensation. I am not unmindful either that a similar resolution, perhaps similarly worded, might, with some justification, be introduced by an energetic member of the other chamber and having special application to this House, because in what I have to say with regard to whatever shortcomings there are, in my humble judgment, in connection with the operation and constitution of the Senate, I do not forget that this chamber likewise has some shortcomings.

In preparing a resolution of this character two courses presented themselves to my mind: First, I could have prepared in definite form my own convictions of the proper method to take to effect Senate reformation. I have, however, to some extent profited by the experience of the past in that regard, because similar definite resolutions, presented not only in this House but in the other chamber, have been fruitless of results. The second method is the one which I have adopted—the method of proposing a resolution which allowing the greatest latitude for discussion, and the fullest opportunity for the presentation of any plans of reformation, yet does give this House the opportunity, if it so desires, to express what it has never done before—its opinion as to whether or not it is satisfied with the constitution of the Senate as it at present exists. May I say that a further consideration moved me to some extent, and that was by reason of what I had anticipated would be the course taken by the government, in the statements at least of the Prime Minister, of an intention to introduce some measure of Senate reform. I anticipated that government action would be initiated by calling a provincial conference—that would be the initial step in the programme,—and it occurred to me that perhaps the provincial conference foreshadowed in the Speech from the Throne would inquire as to what the attitude of this House was—whether or not we are satisfied—and, further, it occurred to me that the best thing to do would be to take this first step—to ascertain whether or not the House of Commons is satisfied with the Senate as at present constituted. May I say also at the outset, that to my mind no question requires a clearer insight into our constitution, no question calls for a clearer analysis of our institutions, and certainly none should command in larger measure moderation in statement and in presentation.

When one thinks of the genesis of our parliamentary institutions in Canada we immediately thrust our minds back to the British North America Act, because that is, at least, the statutory enactment which provides for this parliament. The British North America Act of 1867 provided for a parliament composed of two bodies; the Commons, the lower chamber, elected by popular vote; the Senate, the upper house, nominated for life by the

Governor General in Council. So far as the British North America Act is concerned there is only one provision which in any way limits the power of the Senate, and that is a provision which declares that money bills shall originate in the House of Commons. Therefore, I think one is legally correct in stating that the powers of the Senate and the powers of the House of Commons are not only co-equal but co-extensive, with the single exception that I have mentioned.

Now, in framing the constitution which we have to-day what motives animated the Fathers of Confederation, what models had they before them, if any, to copy? There were two possible schemes for confederation: One was a legislative union, the other was a federal union. I think some of the Fathers of Confederation would have preferred a legislative union, but they were animated by the example and guided by the model which was furnished to them by our great neighbours to the south. Many of them, including Sir John A. Macdonald, frankly confessed their admiration of that constitution. They had not only the constitution itself before them, but they had the benefit of the long experience the people of the United States had had with that constitution. They observed how that constitution had served at a time when the population of the United States was less than two million people, when its inhabited area amounted to something like one hundred thousand square miles. They had observed how that constitution had fitted the desires and ambitions of that great country, even at the time when its population had increased to something over thirty-five million and its inhabited area extended to almost three million square miles. In addition to that they had observed the great political, economic and social changes which had taken place during that experiment in legislation, and they had undoubtedly admired the pliability of the constitution to meet these changing and changed conditions. Moreover, they had before them the experience of that constitution, under period of the greatest stress, the period of the American Civil War, and they had observed too that even states which desired to secede from the union had adopted for their confederacy a scheme almost identical with that embodied in the federal constitution. So it was not unnatural, with conditions not altogether dissimilar, that the Fathers of Confederation should have looked with admiring eyes and adopted as far as practicable the principles embodied in the American constitution.

But you will at once say "Why did they not adopt the elective principle as applicable to the second chamber, that principle being adopted in the American constitution?" I need not remind the House that at the time of confederation some of the confederating provinces had elective legislative councils. The Maritime provinces had not. It was I think largely as a matter of compromise that the nominative life principle was adopted. There was much criticism of it. I remember very well reading about objections raised by such statesmen as Sir Oliver Mowat to the adoption of the nominative life principle, and I remember very well too that some of those who gave their assent to that principle subsequently recanted, and I include in this number Hon. George Brown and Hon. Alexander Mackenzie, subsequently Prime Minister of this country. Both those distinguished gentlemen subsequently recanted their allegiance to the nominative life principle and therefore I say that the adoption of the nominative life principle for our Senate came largely as the result of compromise. I do not think that it was considered such a serious matter, and many who were engaged in that important enterprise of drafting a constitution for this country were forced to give way on this principle in order to secure harmony on other more important principles.

4 p.m.

That being so, the United States model being the one we adopted, paying however due allegiance to the monarchical system of government, what, I ask you, might reasonably be expected of a Senate, and what duties might it reasonably be called upon to perform? What was expected of the United States Senate? In that connection, let me quote the words of the chief architect of the United States constitution, Alexander Hamilton, showing what he anticipated would be the purpose of the Senate and what duties it should be called upon to perform. He said:

> First. It is a misfortune incident to republican government, though in a less degree than to other governments, that those who administer it, may forget their obligations to their constituents, and prove unfaithful to their important trust. In this point of view, a senate, as a second branch of the legislative assembly, distinct from, and dividing the power with, a first, must be in all cases a salutary check on the government. It doubles the security to the people, by requiring the concurrence of two distinct bodies in schemes of usurpation or perfidy, where the ambition or corruption of one would otherwise be sufficient. This is a precaution founded on such clear principles, and now so well understood in the United States, that it would be more than superfluous to enlarge on it. I will barely remark, that, as the improbability of sinister combinations will be in proportion to the dissimilarity in the genius of the two bodies, it must be politic to distinguish them from each other by every circumstance which will consist with a due harmony in all proper measures, and with the genuine principles of republican government.

Second. The necessity of a senate is not less indicated by the propensity of all single and numerous assemblies, to yield to the impulse of sudden and violent passions, and to be seduced by factious leaders into intemperate and pernicious resolutions. Examples on this subject might be cited without number; and from proceedings within the United States, as well as from the history of other nations. But a position that will not be contradicted, need not be proved. All that need be remarked, is, that a body which is to correct this infirmity, ought itself to be free from it, and consequently ought to be less numerous. It ought moreover to possess great firmness, and consequently ought to hold its authority by a tenure of considerable duration.

Third. Another defect to be supplied by a senate, lies in a want of due acquaintance with the objects and principles of legislation. It is not possible that an assembly of men, called for the most part, from pursuits of a private nature, continued in appointment for a short time, and led by no permanent motive to devote the intervals of public occupation to a study of the laws, the affairs, and the comprehensive interests of their country, should, if left wholly to themselves, escape a variety of important errors in the exercise of their legislative trust.

In amplifying this third point he mentions one or two things which have frequently been quoted, and which I desire to quote now. He said:

A good government implies two things; first, fidelity to the object of government, which is the happiness of the people; secondly, a knowledge of the means by which that object can be best attained. Some governments are deficient in both these qualities: Most governments are deficient in the first. I scruple not to assert, that, in the American governments, too little attention has been paid to the last. The federal constitution avoids this error; and what merits particular notice, it provides for the last in a mode which increases the security for the first.

The fourth purpose which Alexander Hamilton says the Senate serves is as follows:

Fourth. The mutability in the public councils, arising from a rapid succession of new members, however qualified they may be, points out in the strongest manner, the necessity of some stable institution in the government. Every new election in the states, is found to change one half of the representatives. From this change of men must proceed a change of opinions; and from a change of opinions, a change of measures. But a continual change even of good measures is inconsistent with every rule of prudence, and every prospect of success.

The fifth purpose he gave as follows:

A fifth desideratum, illustrating the utility of a senate, is the want of a due sense of national character. Without a select and stable member of the government, the esteem of foreign powers will not only be forfeited by an unenlightened and variable policy, proceeding from the causes already mentioned; but the national councils will not possess that sensibility to the opinion of the world, which is perhaps not less necessary in order to merit, than it is to obtain, its respect and confidence.

And finally as a sixth reason for the Senate, he points out the want in some important cases of a due responsibility in the government to the people, arising from that frequency of elections, which in other cases produces this responsibility. He proceeds:

The remark will, perhaps, appear not only new, but paradoxical. It must nevertheless be acknowledged, when explained, to be as undeniable as it is important.

Responsibility, in order to be reasonable, must be limited to objects within the power of the responsible party; and in order to be effectual, must relate to operations of that power, of which a ready and proper judgment can be formed by the constituents. The objects of government may be divided into two general classes; the one depending on measures, which have singly an immediate and sensible operation, the other depending on a succession of well chosen and well connected measures, which have a gradual and perhaps unobserved operation.

It is unnecessary to point out the significance of the sixth purpose enunciated by the distinguished author. Shortly, as I understand the chief purpose of the Senate, it is to put a check upon democratic intensity, if I may use that term. It purposes to set against the caution and experience of age the inexperience and the zeal of youth. I have considerable sympathy with these purposes, but I think sometimes that we may forget that since these principles have been written a hundred years of history have also been written, and I am not so sure now that, instead of trying to curtail democratic intensity, we might more properly be engaged in this case in trying to curtail reaction. In our day the reactionary has full and complete opportunity for his activities, whereas the man who seeks even the slightest measure of reform finds himself opposed by all kinds of checks and balances. After all, however, these checks and balances, I take it, cannot stem the tide. It may be well, that the tide of democracy should be somewhat delayed, but it must move on. There is another and important consideration pointed out by Hamilton in another place in his work, which is essential in a federal system of government and which gives special significance to a second chamber, namely, the necessity of preserving unimpaired and intact the sovereignty remaining in the states or local divisions and the necessity of preserving the established rights of sections and minorities. These things are fundamental in a federal system, and their preservation is the especial obligation of a Senate, these its special task.

Having these various principles in mind, I want to deal now shortly with the Canadian Senate, and I think that probably I shall be on ground which is not objectionable, at any rate to any great extent. What defects are there in the Senate as it is at present constituted and as it operates at the present time? In how far does it diverge from the original principles which brought it into being? These are questions which I shall now address to the House. First of all, I desire to indicate what I regard as the defects of constitution, if I may

use that term. In my judgment there are at least three. The appointment of the Senate by the central authority, the Governor General in Council, is absolutely inconsistent with the federal system of government. The members of that body are appointed by the Governor General in Council supposedly for the purpose of conserving provincial rights and sectional interests. But they are not responsible to the people of those sections or provinces; they are not responsible to the provincial legislatures. Neither the people nor the legislature in any province have any right whatsoever in the appointment of the particular individuals who are supposed, theoretically at least, to conserve their special interests. I say therefore that the appointment by the Governor General in Council of the individuals who constitute the Senate is thoroughly inconsistent with the federal system of government. There is nothing new in that observation, for I would call the attention of the House to the fact that as long ago as 1874 the Hon. David Mills, afterwards Minister of Justice under Sir Wilfrid Laurier's regime, brought in a resolution based on that very inconsistency and asked the House to go into committee of the Whole to consider his remedial proposals. The House, by a vote of 77 to 74, concurred in his view and went into committee of the Whole; but so far as the records show, no further action was taken. That is the first point with regard to the Senate.

Let me ask at this juncture whether in all its history, in all the story of its life from confederation up to the present day, anyone can indicate any case in which the Senate has stood for the protection of provincial rights, for the protection of sectional interests, for the protection of minority rights? I know of no such case myself, although I admit that I am liable to err. I have examined with care a book written by one of the chief proponents of the Senate as it is at present constituted, and from cover to cover of that book I have been unable to find a single instance in which the Senate has in any special way shown a desire to carry out the fundamental purpose for which it was created. And surely there have been ample opportunities for the exercise of that prerogative. Surely no one as he sees this Dominion to-day would admit for a moment that there has not been ample opportunity to have prevented, or at least allayed, this sectional discord which is characteristic of almost all parts of the country. Surely there have been ample opportunities to conserve provincial rights. I recall that Sir Oliver Mowat had a very prolonged struggle with the government of Sir John A. Macdonald in his effort to conserve the rights of the province of Ontario.

The next objection I have to the constitution of the Senate is that the appointment for life is undemocratic. I need only mention that point to convince hon. gentlemen of its truth. But the difficulty is—I will put it no stronger—that appointment for life is apt to make the occupants of that chamber lose all initiative; it is apt in some cases, I trust in very few, to create an indifference on the part of the senators to their duties. After all, I wonder what it is that inspires the hon. members of this House to action, and keeps them alert and vigorous in the particular task for which they were chosen? What is it? It is simply the desire, the quite proper desire, to merit the continued esteem of those who are responsible for their presence here.

My next objection to the Senate is that it is altogether too large from the standpoint of numbers. The United States Senate, which was to some extent the model for our federal institution, has a membership approximately the same as that of the Senate of Canada. And the Senate of that great country is called upon to protect the sectional interests of something like 110,000,000 people. Surely no one would deny that it effectively performs its task. So I say that the Senate of Canada to-day is altogether too large. I believe too that the Senate should be proportioned equally as between the various provinces. Let me illustrate. Under our constitution, the province from which I come is entitled to 6 senators while the province of Ontario is entitled to 24. It may be that in a very few years, although perhaps not in my lifetime, the province of Alberta may surpass in population the province of Ontario, for it has made far greater proportionate progress in the last twenty years. Would it then be right and proper and fair that the present disproportion should continue in the respective representations in the Senate, although the population might have changed very considerably? It does occur to me that, designed as this body is for the protection of provincial rights, and the conservation of special and sectional interests, the representation might fairly be proportioned equally so far as the various provinces are concerned. These are substantially what I find to be the main defects, if I may use that term, in the Senate constitution.

I want now to deal with what I think are some of the defects in its operation. Mind you, I am not complaining about any particular members of that body; in whatever I say I am not blaming them but the system which has made the present situation possible. First of all, let me say that the Senate

as it is constituted is partisan and not independent. I do not have to rely on my own judgment in that matter, but I am sure that it must appeal to everyone that such is the case. Is it not natural that the recipient of a place in that chamber should feel himself owing some allegiance to those who are responsible for his appointment? Even one of the hon. members of that body some years ago in agreeing with that view stated that if Sir John A. Macdonald—who had appointed him to that high position—should ask him as a favour to vote in a certain way on a particular measure, he would feel under some obligation to do so, because he said, "I am in the position of a delegate in the presence of the delegator."

It will no doubt be interesting to hon. members if at this stage I read the judgment of a distinguished observer of parliamentary institutions in all parts of the world; I refer to the late Viscount Bryce. He says in Modern Democracies:

> The plan of nomination by the executive is even less to be commended, because members seem to be usually selected for party reasons;

I doubt if any one here would seriously controvert that statement.

> Sometimes, as in Canada, not merely for the sake of securing for the ministry a majority in the second chamber but also in order to reward its elderly supporters, who, weary of courting constituencies, gladly subside into a dignified armchair. There are countries in which secretly rendered political services or liberal contributions to party funds are believed to open the door of the chamber to those whose merits the public had failed to discover.

That is the opinion of a distinguished observer. But when one comes to look at the political composition of the Senate itself, one finds how this pernicious patronage system has exacted its full toll of the independence of that body. I hold in my hand a statement showing the political membership by provinces of the Senate in 1896, the year in which the Liberals came into power. There were then 13 Liberals and 68 Conservatives, with one seat vacant. The House of Commons at the same time was composed of 117 Liberals and 89 Conservatives. Surely no one would suggest for a moment that the Senate represented the political views of the country at large. The next change of government took place in 1911, when the situation was almost completely reversed, there being then in the Senate 66 Liberals and 20 Conservatives, whereas in the election of that year 133 Conservatives and only 86 Liberals were returned to the House of Commons. In 1917, the year of the advent of Union government, the situation had again been changed, there being 40 Liberals and 46 Conservative senators.

Mr. MARCIL (Bonaventure): What was the political standing of the Senate at the time of confederation?

Mr. SHAW: In the course of my investigation I found it very difficult to discover the exact situation at that time, but if there were any party lines I think the parties were substantially on a parity with each other.

Mr. CALDWELL: How were the first senators appointed?

Mr. SHAW: The British North America Act provided that the members of the legislative councils in the various provinces of Canada were to notify within a limited time, I think 30 days, whether or not they were prepared to assume a senatorship in the Senate as created by the Confederation Act. I think most of them accepted the opportunity. I am going to ask, Mr. Speaker, the privilege of having this short statement placed on Hansard in order that it may be available for the information of members.

	Senate			House of Commons		
1896	Liberals	Conservatives	Vacant	Liberals	Conservatives	Independents
Ontario	3	21	..	43	44	5
Quebec	2	22	..	49	16	..
Nova Scotia	1	9	1	10	10	..
New Brunswick	5	5	..	5	9	..
P.E.I.	..	4	..	2	3	..
British Columbia	1	2	..	4	2	..
Manitoba	1	3	..	2	4	1
N.W. Territory	..	2	..	2	1	1
	13	68	1	117	89	7

In the House of Commons, Liberals had 28 majority out of 213 seats.

1911						
Ontario	19	5	..	13	72	1
Quebec	19	5	..	37	27	1
Nova Scotia	6	3	1	9	9	..
New Brunswick	7	3	..	8	5	..
P.E.I.	3	1	..	2	2	..
British Columbia	2	1	..	..	7	..
Manitoba	3	1	..	2	8	..
Saskatchewan	4	..	..	9	1	..
Alberta	3	1	..	6	1	..
Yukon Territory	..	..	..	..	1	..
	66	20	1	86	133	2

Conservatives had 47 majority out of 221 seats

1917			
Ontario	5	18	1
Quebec	16	8	..
Nova Scotia	4	6	..
New Brunswick	5	5	..
P.E.I.	2	2	..
British Columbia	1	2	..
Manitoba	1	3	..
Saskatchewan	3	1	..
Alberta	3	1	..
	40	46	1

So I suggest that in operation the Senate is a partisan body; it is not independent. I do not mean totally independent of the public will, but not likely to bring to the consideration of every question a fair and impartial judgment, unfettered by partisan considerations and uninfluenced by party affiliations, with the courage to face unpopularity in its decisions. In this respect the Senate has failed. Moreover when the Senate is of the same political complexion as the party in power, it is largely a useless body, except for revising purposes, and I suggest that such revision can be done in a far more effective and adequate way. When the Senate is of an opposite complexion to the party in power then it becomes in most cases a real hindrance to effective government, resulting sometimes in near legislative paralysis.

My next complaint is that the Senate does not reflect the varied national life of this country. I do not say, mind you, that the House of Commons does either. But it is natural to suppose that most hon. members secure their right to occupy a seat in the Senate by reason of attendance in this House or association with it, and the result is that, generally speaking, they are not representative of the various sections of our national life. Viscount Bryce in his Modern Democracies also points out that a senate to be really effective must represent all the main currents of our industrial, commercial and social life—agriculture, commerce, manufacturing, and so on. I do not think anyone who has given consideration to the subject would contend for a single moment that the political method of appointment conduces to a fair representation in the Senate of our national life.

Another objection which I would urge is that the Senate sits and awaits action by this House. We have an illustration of it at present; the Senate is waiting for what may fall from the table of the House of Commons in order to amend or change it. Now, charged as the Senate is under our federal system with high and important functions, surely there is ample opportunity for that body to engage its time profitably at this juncture when the whole country is being devitalized by sectional differences and when serious industrial strife is threatened. Surely the Senate might by a careful study of our economic, social and industrial life, assist materially in solving the problems that now confront the Dominion.

Lastly, if you put the Senate on its lowest possible basis, that of a revising chamber alone, then I say it does not even discharge that duty adequately, because in the concluding stages of the session it is showered with a host of bills from this House, and it must either throw them out or pass them with scant opportunity to give them careful consideration and intelligent revision. So on that basis alone I submit that the Senate is not an efficient revising body.

Now, I could quote Viscount Bryce, a very keen observer of constitutions, to the effect that the Senate of Canada is one of the weakest second chambers of its character in existence. That is the considered statement of that distinguished gentleman some two or three years ago in his book, Modern Democracies.

Mr. STEVENS: If the hon. member will permit me, could he give us the quotation? I do not ask that to embarrass him at all, but I am deeply interested in learning how the late Lord Bryce makes that statement. I know his work.

Mr. SHAW: The hon. member will find the quotation to which I refer at page 441, volume 2 of Modern Democracies. In dealing with the various kinds of chambers he mentions those in the same category, and he says:

> Amongst these the French Senate is the strongest and that of Canada the weakest.

I want to read the considered statement of a Canadian author, himself a very astute and keen observer of parliamentary government in this country. I refer to Professor Wrong of the University of Toronto. He says:

> It is not a body that occupies an important place in the thought of the Canadian people.

He goes on to amplify that statement; I am not concerned at the moment in reading that part of it. But he says further:

> Always the senators have obeyed the mandate of party; there is no case on record in which a majority in the Senate has opposed, on an important measure, a majority of the same party in the House of Commons. Those who know what is going on at Ottawa admit freely that the Senate does useful work on non-party lines in improving bills; but they will add that it discharges no other useful function.

I see that Professor Wrong and myself disagree on one small particular in connection with that. Summing up his conclusions with regard to the Senate, Professor Wrong says:

> 1. The Senate plays a minor part in the political life of Canada, and commands but little authority.
>
> 2. The Senate becomes important only at the time of a change of government in Canada, and its influence is then likely to be used to hamper the new government.
>
> 3. The Senate discharges useful functions in improving the details of the bills sent to it from the House of Commons.
>
> 4. Experience in Canada has shown that the method of appointment for life works better than would appointment for a term of years.

Then he goes on to amplify that view.

The longest term of years to be proposed would probably not exceed seven or eight. Sir Wilfrid Laurier was in power in Canada for sixteen years. Had the terms of senators expired after even ten years, every Conservative senator would have been replaced by a Liberal during Sir Wilfrid Laurier's tenure of office, and the Senate would have contained only Liberals, a reductio ad absurdum.

5. In Canada the tyranny of party has been complete in regard to the Senate. But for this, more men conspicuous in the world of commerce, of letters, of education, might have found a place in the Senate and might have softened the rule of mediocrity which now prevails in the representative institutions of the New World. The party leaders, however, have willed it otherwise, and they have had their way.

But Mr. Speaker, I do not need to rely upon the judgment even of the distinguished authors I have quoted; I can refer the matter to the Senate itself. Some fifteen or twenty years ago—to be exact, in the year 1909—a distinguished gentleman who played a very large part in the inauguration of this confederation and who lived through all its adversities and many of its changes of parties, himself introduced a resolution in that chamber designed to rectify many of what he thought to be existing evils, and to impart to that body a measure of additional strength. Among other things, he sought to make membership in the Senate partly elective. I refer to a gentleman with almost forty years' experience in that chamber, the late Sir Richard Scott.

Now, if there exist the constitutional defects as well as the defects in the exercise of its functions that I have pointed out, the next question naturally arises, what remedies are available? I must say at the outset that I have no desire in any way to criticize the government for the preliminary action it has taken in connection with this matter. I think that is essential; I think that is necessary under the constitution. But I want to look beyond that; I simply want to suggest that I have in mind the preliminary steps—I do not want the members of the House to get the idea that I would ignore the necessary preliminaries toward effective action.

There are three possible ways to meet this situation: First, abolition; secondly, strengthen the chamber; thirdly, weaken it. With regard to the first, abolition is becoming increasingly popular. It is becoming increasingly popular, I am convinced, because people have not before them any other effective scheme, or any scheme which premises change or reform so far as the Senate is concerned. It arises largely because of the paucity of other schemes, and not because it is the best remedy. The advocates of abolition urge that the Senate is a drag upon democracy; that it is an intrenchment of special and privileged interests, and that any institution which is based upon a distrust of democracy is necessarily weak and should not be continued. Now, these advocates of abolition apply their theory equally to any scheme of government, be it the unitary system or the federal system. In that particular I think they are perhaps mistaken. I see no objection to applying the principle of abolition to a unitary form of government but when it comes to a federal form of government with a second chamber charged with the specific duties and obligations which I have mentioned, then I think it would be a mistake to insist on abolition. If abolition is to be the remedy, what organization, what institution, will preserve provincial rights under our system of government? What institution will preserve sectional rights? What institution will there be to preserve the established rights of minorities? Besides, I am not so sure that where a popular chamber is so engrossed in partisan controversy from time to time it has that judicial calm which is essential to the proper and expeditious disposal of all legislation. In addition to that, the chamber—our chamber for example—has not the opportunity for the social and economic study that is essential to the proper solution of many of our problems. However, the abolitionist says, in the words of that English publicist in the late eighties, "Either mend it or end it".

One other way of going about this matter is to make the Senate stronger, to cure its defects, to add strength to it. Several plans have been suggested; I propose to suggest only one or two, and that very briefly.

One suggestion is to make the Senate elective, to make it responsible to the people whose interests it is supposed to conserve and to preserve—to let the provinces themselves—the ones who are vitally interested, undertake the election of senators. By doing that you add strength to the Senate, because if there is strength in this elective chamber there will likewise be strength in an elective second chamber. The difficulty pointed out by most writers on the subject is the likelihood of deadlock between the two chambers, but with the experience of recent years—Australia, South Africa, Ireland—surely the people of this country should be able to fashion some system that will enable us to untangle readily any deadlocks that may occur.

Mr. MACLEAN (York): Would the Senate be elected by the provinces for life, or for a limited term?

Mr. SHAW: I think all writers on the subject agree that the senators, whether nom-

inated or elected, should hold office only for a limited period of time. Now, that is one method, and the objection usually taken to it is that we already have too many elections in this country. We have federal elections, provincial elections, and to add another election would complicate our institutions and certainly disturb to a great extent the business affairs of this country. I do not think there is very much to that objection, because it would be very easy to arrange it so that the election for senators would fall at exactly the same time as the election for this House.

There are one or two methods based upon the nominative plan to which I want to refer. The first was proposed by a distinguished member of this House. I think because of that alone it is entitled to our serious consideration. The other reason which I think entitles it to our consideration is that it certainly is a thought provoking scheme. I refer to the plan proposed in this House some two years ago by the Right Hon. Mr. Fielding, whose illness and consequent absence from this House I am sure we all deplore. This distinguished gentleman, after forty years of parliamentary experience in this country, proposed that all the senators should hold office by nomination, that half of them should be appointed by the federal government, and the remaining half be appointed by the legislative assemblies of the various provinces. One can readily see that that plan would be an improvement, upon our present system. But the right hon. gentleman only pays a sort of half allegiance to the principle of provincial rights. That would be the objection I would see to such a plan as that. If it is necessary that state rights should be preserved, if this federal part of our institutions is to be preserved, then the Senate should be chosen entirely by the provinces themselves. Mr. Fielding did not propose that the tenure of the present senators should be changed. His scheme would come into gradual operation, until in course of time it became fully complete.

There is also another very valuable suggestion made by Viscount Bryce. He suggests that life tenure should be eliminated. I do not mean to give the impression that this scheme of his was proposed for Canada alone. He suggests that life tenure should be abolished, that the senators should be selected for a term of years; but his method of selection is to be entirely different from the method now followed or from any of the other proposed methods. A committee of selection is to be set up by both chambers, in our case by both the Commons and the Senate, and this committee of selection is to recommend to these two bodies a list of men distinguished in civil life who have taken a large part in the national life of the country, or who have done honour to the nation in any way. That is his scheme for creating a second chamber, a second chamber which he limits very greatly so far as its powers are concerned.

I have referred to two methods—to the method of abolition, and the method of strengthening. I now want to refer to the third method, and that is to reduce the Senate powers as they already exist. I said at the outset that the powers of the Senate except in money matters are co-equal and co-extensive with those of the Commons. They have the widest power of initiation in measures of reform, but I think I am fair in saying that they have seldom taken advantage of this power. Now the suggestion along this line is to dilute, if you like, the veto power which now exists. The Senate now have an absolute veto power. Dilute that power until it becomes either a suspensory or a temporary power of veto. That is the plan that is followed in England. Such a scheme will reduce the Senate to comparative impotence. In connection with the English scheme, if hon. gentlemen will read the Parliament Act of 1911, they will observe there one or two very interesting things. First of all, the act itself in its preamble clearly indicates that the veto measure there taken, that is, the effort to make the absolute veto of the House of Lords a mere temporary veto, was only a preliminary step. The second and further step was to create a popular House of Lords. I will read the preamble for the information of hon. members:

> Whereas it is intended to substitute for the House of Lords as it at present exists a second chamber constituted on a popular instead of hereditary basis. but such substitution cannot be immediately brought into operation—

Mr. MACLEAN (York): Where is that from?

Mr. SHAW: The preamble itself of the British Parliament Act of 1911. The act goes on to very seriously curtail, to practically nullify the powers of the Lords so far as money bills are concerned, and to provide that after the passage of any other public bill by the House of Commons for three consecutive sessions during a period of two years, the bill will automatically become law. The dilution of the veto power, therefore, is only a bridge, if you like, only a step along which we may go in one of two different ways—first towards abolition or secondly towards reform, one or the other. Therein lies the value only, in my judgment, of the veto dilution. It cannot give any permanent re-

form; but it does meet the present and pressing situation. That was the situation in connection with the Parliament Act in the Old Country, and that was the purpose entirely. I do not know, however, if they have since followed along that track for the purpose of securing a popular second chamber in that country.

The ex-Prime Minister of England, Mr. Ramsay MacDonald, has an idea also in connection with Senate reform. He wants to reduce the Senate to a revising chamber, and a revising chamber only. He suggests that it be lessened in number, that it consist entirely of law lords and parliamentary legal draftsmen, and that this body have power, not to change principles at all, but simply to improve the technique of legislation. These are, in short, some of the many schemes which are proposed for Senate reform. The question, after all, it seems to me, comes down to this, as indicated by one writer on the subject: "Do you want an elder brother who is going to advise, who is going to suggest, who is, if necessary, going to check his rash brother, or do you want merely a clerk who will simply cross the t's and dot the i's?"

May I suggest the following as the line that occurs to me along which we may safely travel? I believe, in the first place, that the Senate should be elected; I believe it should be elected by the provinces. If, however, any province should desire a different method of election, or desire the appointment of senators by the legislative assembly, if the majority of them should desire that and they are all prepared to accept it, I have no objection to that. But first of all, make the Senate, either by election or by provincial nomination, responsible to the people whose interests they are called upon to serve. I think also they should be reduced in number. If we had say 36 senators instead of 96, four from each province, if we could claim the services of distinguished men, I think that number would give a fair and adequate representation in that chamber. Then I think they should be chosen for a period of eight years, one half retiring every four years.

Mr. EULER: What justification would there be for giving the same number of senators to each province, so that the small province of Prince Edward Island would have the same number as the province of Ontario or the province of Quebec?

Mr. SHAW: I can only ask my hon. friend what justification there is for the present basis? The province of Alberta with many times the population of Prince Edward Island has only six members whereas Prince Edward Island has four?

Mr. EULER: Would it not be better, if you are going to make the Senate elective, to have its members elected according to population the same as in the case of the members of this House?

Mr. CRERAR: They do not in the United States.

Mr. EULER: That would not necessarily matter.

Mr. SHAW: I was going to point out to my hon. friend that in the United States the basis of Senate representation is two from each state. It is only fair to state that arrangement was a matter of compromise. However, it was felt that two members from each state could adequately safeguard the interests they were supposed to safeguard, namely, the preservation of state sovereignty. This has given a degree of security to the smaller states which otherwise they would not possess. For example, the great state of New York with a population greater than that of Canada has two representatives in the Senate, and, I think, some thirty-five or forty in the House of Representatives. The state of Rhode Island has only, I think, two representatives in the House of Representatives and likewise two senators.

Mr. EULER: There is a good deal of objection to that in the United States.

Mr. SHAW: I agree with my hon. friend that there is some objection, but generally speaking it has worked out well. While it was a compromise plan at the outset I think it has, generally speaking, given considerable satisfaction.

Then I think, for the purposes of the election if that method is going to be followed, taking for example the province of Alberta, it should be divided into large constituencies. I would say that province should be divided into two large constituencies for electoral purposes, and the election should take place on the proportional representation plan which would ensure, as far as can be done, the representation of all interests and all phases of our national life. In addition to that I think the election for the Senate should be held at the same time as the election for the Commons. That could be readily done. It is a mere matter of detail. Then, and most important of all, the power of the Senate should be increased in certain particulars. Thus constituted I think it would be a body to which it would be desirable to apportion definite, specific matters. It would be desir

able, for example, to place with the Senate the matter of our foreign relations because if there is any one thing we desire it is that our policy in that regard should be consistent —that it should not be changeable and variable according to the temporary or hastily formed feelings of the people.

Mr. GRAHAM: My hon. friend said that the time of holding the election for the upper chamber would be a mere matter of detail. How would he work out the responsibility of the government? The government decides to appeal to the people, will the Senate be consulted?

Mr. SHAW: No.

Mr. GRAHAM: They would have to go to the people if the government told them to go?

Mr. SHAW: The experience in Canada has been that there is an election every four years. That, of course, is not invariable. I remember that in 1911 the government of the day only survived three years; but if you say that a senator is to be appointed for four years—or for a shorter or longer period with a certain limitation, perhaps a year—then you can provide for practically any eventuality that may arise.

Mr. GARLAND (Bow River): Perhaps I might follow up the question of the Minister of Railways and Canals (Mr. Graham) which deals with a very interesting point. I think it was what the minister had in his mind; I know it was something I have in my own mind. If the Senate is elected at the same time as the House of Commons is there not a danger that ultimately we may have a situation in Canada such as exists now in the United States under which the Senate is taking all the control away, at any rate very largely so far as legislative matters are concerned, from the representatives of the people themselves?

Mr. SHAW: No, not at all; that is only a question of the division of the functions of the two bodies and that, I think, can be safeguarded without much difficulty.

Then, of course, it would be absolutely essential, it would be vital, and it would be necessary that ample provision be made in the case of a dead-lock arising between these two Houses. That has been done in other countries and, I think, generally speaking, although not always, it has proven satisfactory.

Now, Mr. Speaker, may I just say this in conclusion: I have sought to ascertain what principles should govern us in the creation of a Senate; what defects in my humble judgment there are in the formation, organization, constitution and operation of that body; and then I have presented to the House various plans that have been presented from time to time. I suggest only in outline my own ideas; not that they have any particular value. I simply want to point out in conclusion that our Confederation Act was framed almost sixty years ago. There have been great changes since that time. Even differing theories on government, and on organization, have been propounded. All these are more or less in the melting pot, and have passed through various stages of development. Since that time too, our whole political, social, and industrial fabric has been almost totally changed, and so these rapidly evolving conditions necessitate that we should give some consideration to the institutions which are functioning for the purpose of preserving and vitalizing our social, industrial, political and economic fabric.

We are not without some very valuable illustrations as a result of that sixty years of experience. May I just suggest some of the things that have happened. The House of Lords in that period has been reduced to comparative impotence. New Zealand with a life tenure for its legislative council has found it necessary to reduce that tenure to a period of seven years. Australia in the interim has adopted an elective system for its Senate. South Africa has adopted a partly elective Senate, with safeguards in the case of a dead-lock which merit our very serious consideration. France prior to 1884 had a life tenure for her Senate. In that year it was changed to an elective system—elected not directly by the people but by the representatives of the various local departments. Since that time too new governments have sprung up. The war created many in Europe. In some of them where the people were homogeneous, where there were not great geographical barriers, where there was not a vast difference in race and creed, they have satisfied themselves with only one assembly. I refer to the states of Latvia and Esthonia. Other countries such as Czecho-Slovakia and Poland, where there were divergencies in these matters, have adopted the federal system, and in each case have provided for an elective Senate. In addition to that we have a most illuminating experience from the country of my hon. friend the member for Bow River (Mr. Garland), a part of the British Empire which furnishes one of the most striking illustrations as to how a second chamber may profitably be constituted. The Irish Free State has a Senate of some sixty members,

elected for a term of twelve years. The act under which it is constituted provides that the senators must be citizens who have done honour to the nation by reason of useful public services, or who represent important aspects of the nation's life. One-fourth of the members are chosen by the electors for three years from a panel selected by the Chamber of Deputies and the Senate. The Senate and the Chamber of Deputies choose a panel consisting of three times as many names as are to be elected, and these names are then presented to the public for their selection. In that constitution legislative authority in respect to money bills is reserved for the Chamber of Deputies alone. The Senate, however, is empowered to make recommendations. Other bills must be passed or accepted by both houses, but if the Senate does not pass a bill within two hundred and seventy days, or other longer agreed period, after it has been sent to the Senate by the Chamber of Deputies, the bill shall be deemed to have passed both houses in the form in which it last passed the chamber. The Senate, however, may demand a joint sitting of the two houses to debate, but not vote upon a money bill.

Now, Mr. Speaker, these are all the observations I have to make and in conclusion I desire to make a quotation.

Mr. LAPOINTE: The hon. member is a straight advocate of an elective senate. Has he any other alternative proposal? Suppose he cannot convince the majority of this House, or those who may have something to say, as to any amendment of the British North America Act to conform to his views, would he suggest any change in the method of the appointment of senators, the tenure of office, or kindred matters?

Mr. SHAW: I certainly think that the method of appointment, be it election or otherwise, should represent the views of the provinces. Even if the provinces desire the appointment by this House, I think that is the proper method. If, however, the provinces consider that the method of election is the proper system, I think that is the method which should be followed. There can only be, so far as I know, two methods or perhaps three, nomination by the Governor General in Council, nomination by the provincial legislature, or election by the citizens of the province whose interests the senators are supposed to support. If the provinces as a unit desire the privilege of nomination by their legislative assemblies, that is the proper method to follow, and if they want to give that power to the federal government, well and good, that is the proper method to follow. But if not, if they can agree upon the method of election, I think the particular method they agree upon should be followed.

Mr. CAMPBELL: Does the hon. member take into consideration the enormous expense of running an election in a constituency? He suggests that there should be only thirty-six senators in Canada.

Mr. SHAW: Does the hon. member mean the expense for the candidate? If so, I am more concerned with the welfare of the country than the welfare of the candidate.

Mr. CAMPBELL: Would the welfare of the country not be greatly involved in the proposition? Because if the candidates
5 p.m. are not able to put up the money themselves, it means they must rely on certain special interests.

Mr. SHAW: Hon. members will understand that in making my suggestion I am merely proposing that the Senate should consist of thirty-six members. I think that is a reasonable proportion considering the vast extent of the country, and I know it will mean a great saving to the country. If my hon. friend wants to make the number fifty-four, I am not going to raise any special objection. I will conclude my remarks by reading a statement made by a former member of the present Senate. The debate was initiated by Hon. Sir Richard W. Scott in 1909 on Senate reform. He urged that some action be taken before public clamour demanded action, and that debate went on intermittently from January until some time in May, and like all other debates on Senate reform, no conclusion was reached. One hon. senator spoke as follows:

> But it is to the future we must look. This is a new country, immense in territory, unlimited in possibilities, now in its formative period. We are composed of nine provinces to-day, all living in peace, harmony and good-will one towards the other. Who can say what antagonism may develop in future years? What strain there may be on the unity of our country later on? It has been said that but for the Senate of the United States, a Senate representing in fact the several states of the union, the commonwealth of our neighbours to the south, would stand to-day dismembered, rent asunder.
>
> There is no doubt that we shall not endure eternally in universal harmony; future difficulties are sure to come, because the beginnings have been too harmonious. We shall have our trials as a confederation. What will keep the provinces together if there is no proper, strong, trusted link to hold them? That link should be here as it is in the United States, as it is in Switzerland, as it is in Australia, as it is in Germany, a Senate appointed by and truly representing the several provinces of the Dominion. As it is now constituted, it would not be equal to the task, nor trusted to perform it.

Mr. J. W. FINDLAY (South Bruce): I feel it my duty, as it is the duty of every other hon. member in this House, to offer my congratulations to the hon. member for West Calgary (Mr. Shaw) upon the very instructive and lengthy address which he has delivered to us on the question of Senate reform. His remarks indicate great study and research and I desire to say at the outset that his proposition has my hearty support so far as it goes, but I do not think it goes far enough. I come from the province of Ontario, where this matter of Senate reform has occupied the minds of the people to a very large extent and has become a public and practical question. Reading the press of Ontario, and mingling with the people of that province, we find that there is a strong demand for the abolition of the Senate. The fact that the question of Senate reform occupies the attention of the people to a large extent is evidenced by the fact that it has been discussed many times in this House, and through all that discussion there has been a unanimous declaration in favour of some kind of reform, but apparently, the difficulty has been to arrive at some conclusion as to the nature of that reform. I have taken the trouble to go into some of these debates, and through them all I find a general agreement that reform is necessary, and I also find that the great obstacle in the way of bringing about a reform is the fact that no two people are able to agree as to what the nature of that reform should be. The fact is that you cannot find any individual who can propose a reform which will produce the benefits which that individual expected would result. As an instance of that, may I quote from the remarks of the Right Hon. Sir Wilfrid Laurier on the difficulties which he saw in the way of reforming the Senate. Speaking on a resolution introduced during the session of 1906, he used these words:

> Well, what would be the nature of a reform which would be acceptable to all? This is a question which has puzzled more than one. My hon. friends, the mover and seconder of the resolution, both referred to the convention of 1893, which was held in this city, and in which the reform of the Senate was declared necessary; but while we made that affirmation, the difficulty has always been to settle practically what reform would be acceptable. At once we were met, when we thought of reducing the idea to legislation—and it is a subject which has more than once perplexed the present advisers of His Excellency—with the difficulty of agreeing upon such reform as would be satisfactory to all.

So we find all down through the discussion the main difficulty is to arrive at some method of reform which would be satisfactory to all sections of the country. Because of that difficulty no progress has been made so far. I thoroughly agree with the resolution introduced by my hon. friend from West Calgary, but as I have already stated, its fault, if it has any, is that it does not go far enough. I shall therefore move an amendment which I hope will meet with the approval of the House and which at least goes some little distance further in the direction of providing a satisfactory measure of reform.

Why is it that all through the discussion in all these years no progress has been made in the matter of reforming the Senate? The answer is to be found largely in the fact that there has never been proposed any system which would be acceptable to the country as a whole. It is conceded on all hands that in order to bring about any measure of Senate reform acceptable to the country at large such a proposal would have to meet with the approval of the different provinces. And how are we to arrive at anything of that nature? In discussing this matter, it seems to me that the most logical thing to do if we are to make any headway at all would be to consult the people. What are the chief functions of the second chamber? It has been already stated that one of those functions is to revise hasty legislation. But can we find on an examination of our parliamentary history any instance in which the Senate as it is now constituted has discharged that function? I think we shall all agree that so far as revising hasty legislation is concerned the Senate has not served any purpose of that kind. Again, I wish to quote a distinguished leader of the Liberal party on this point. Speaking in a similar debate in 1906 Sir Wilfrid Laurier, referring to the Senate as an institution for the revision of hasty legislation, said:

> But this is an idea which has never made much impression on my judgment at all events. Considering the course of such legislatures in the Dominion which are composed of a single branch, elected by the people —the legislatures of Ontario, Manitoba, British Columbia, and some others—I do not believe that we need seriously apprehend any danger from the existence of one branch only of the legislature.

We have, I think, all agreed that the Senate as it is at present constituted does not discharge the functions of a body whose purpose is to revise hasty legislation and to act as the champion of provincial rights and minorities; and the fact that some measure of Senate reform is necessary is borne out by the proposal in the Speech from the Throne to call an interprovincial conference in the recess to deal with this and similar matters. This being the case, I do not think there should be any hesitation on the part of this House in adopting a resolution looking to that end. While I approve of the declaration of the government, that it intends calling this inter-

provincial conference, I do think that the better method of proceeding would be to take a vote of the people of the different provinces in the first instance. How would the delegates to this proposed interprovincial conference know what the views of the people in their respective provinces might be regarding the question of Senate reform? I have grave doubts, for instance, whether the Prime Minister (Mr. Mackenzie King) and, say, the Attorney General of Ontario, if they met in consultation on a matter of this kind, would be in a position to represent the will of the people of Ontario on the question. I have no reason to know what the opinions of these gentlemen may be on this question, but I have strong reasons to suspect that the feeling of Ontario is greatly in favour of the abolition of the Senate, and I do not know that the Prime Minister and the Attorney General of Ontario are of that mind. I say therefore that before any interprovincial conference is called, or before any such conference can properly function, it is indispensable that the government should first learn the will of the people of the various provinces which would be represented at the gathering.

Two years ago, I think, the Canadian Council of Agriculture sent down to the United Farmers of Ontario in annual convention assembled a number of recommendations for improvements, and among those recommendations there was one calling for the reform of the Senate. The United Farmers of Ontario declined to endorse that recommendation but decided to substitute for the word "reform" the word "abolish". This, it seems to me, is evidence enough of the opinion on this question of the people of Ontario, at least in the rural sections of that province. And I would ask, where can you get a sounder or saner expression of opinion on public matters affecting the welfare of the country than in the rural sections of Ontario?

I am not a lawyer and am not trained in presenting my arguments in any sylllogistic form, but I feel that this parliament is prepared to go a step further than the resolution presented by my hon. friend asks us to go. What does the resolution say? It declares that in the opinion of this House the Senate as at present appointed and constituted "is not of the greatest advantage to Canada". Well, surely there is no hon. gentleman who will say nay to that resolution. The fact of the matter is that thirty-two or thirty-three years ago the Liberal party at a convention in this city made a stronger declaration than that, and I venture to say that if any gentleman here went on the streets of Ottawa and asked the first man he met whether he would endorse that resolution the reply would be, "Yes, everyone endorses it". For the reasons I have stated, I move that the resolution be amended by adding the following after the word "Canada":

> Therefore it is expedient that an humble address be presented to His Majesty the King praying that the British North America Act be amended so as to provide that the Dominion of Canada may have the power to make the Senate an elective body or to abolish it, as may be decided by the people in a plebiscite to be taken at the next general election.

Mr. SPEAKER: I notice there is already on the order paper a motion in practically the same wording as this amendment, and it is a rule of the House that a question already appointed for consideration cannot be anticipated by way of amendment. In the 13th edition, at page 272, May says:

> A matter already appointed for consideration by the House cannot be anticipated by an amendment, while a notice of motion as long as it remains upon the paper, whether for a specified day or not, prevents its subject matter being discussed by means of an amendment to a motion or of a motion for the adjournment of the House, including a motion under standing order No. 10.

But I find in the next line power, in my humble judgment, to permit the amendment which has just been read by the Chair.

> In determining, however, whether a discussion is out of order on the ground of anticipation, the Speaker must have regard to the probability of the matter anticipated being brought before the House within a reasonable time.

The main motion reads as follows:

> That in the opinion of this House, the Senate as at present appointed and constituted, is not of the greatest advantage to Canada.

As I listened to the address delivered by the mover (Mr. Shaw) I noticed that one of his main objections to the present constitution of the Senate is the mode of appointment. The amendment also refers to the mode of appointment, and is germane to the main motion. Therefore as there will be no other opportunity for the hon. mover of the amendment (Mr. Findlay) to move later on his proposed resolution, No. 37, basing myself on May, I am disposed to allow the amendment. Let me again read what May says, because I want to live up to the rules of the House:

> In determining, however, whether a discussion is out of order on the ground of anticipation, the Speaker must have regard to the probability of the matter anticipated being brought before the House within a reasonable time.

I find that this justifies the Speaker in allowing the amendment. Therefore the question now before the House is the amendment. Is the House ready for the question?

Hon. H. H. STEVENS (Vancouver Centre): Mr. Speaker, I should like to have spoken on the point of order, but unfortunately Your Honour has already ruled that the amendment is in order.

Mr. SPEAKER: I should not like to debar any hon. member from stating whatever views he may have on the point of order.

Mr. STEVENS: I should like to have submitted this to your consideration, Mr. Speaker, before making your final ruling. Your Honour rests your ruling upon the assumption that the order referred to, No. 37, is not likely to be reached.

Mr. SPEAKER: Oh yes, it can be reached, but then objection would be taken that the subject matter having already been discussed it could not be revived. However, I should like to hear further from the hon. member.

Mr. STEVENS: I would submit to Your Honour that before this resolution could be moved as an amendment it ought to be dropped from the order paper. I would further submit that the resolution now moved as an amendment has been called at least five or six times, precluding any possible excuse of its sponsor not having had an opportunity to discuss it.

Mr. SPEAKER: I had that in mind when I gave, perhaps a little too hurriedly, my ruling. The hon. member is right, this motion cannot be revived now that it is being moved as an amendment. As I stated a moment ago, the Speaker, according to May,

> In determining whether a discussion is out of order on the ground of anticipation, must have regard to the probability of the matter anticipated being brought before the House within a reasonable time.

Resolution No. 37 could not be brought again before the House, because this amendment which reproduces it, but which as such, is germane to the main motion, could not be revived later on. It will be expunged from the order of the day as a matter of course.

Mr. MACLEAN (York): And, Mr. Speaker, do not we deal with the two resolutions on the order paper, and therefore discharge something which is before the House?

Mr. SPEAKER: Certainly. The question is on the amendment.

Mr. JEAN J. DENIS (Joliette): Mr. Speaker, in rising I wish to pay my most sincere compliments to the mover of the resolution (Mr. Shaw). More than once privately I have had the opportunity of telling him that I share his views entirely with regard to Senate reform. I say so now. The only question is: What is the constitutional way of obtaining that reform? I had thought that the motion as presented by my hon. friend in the negative was the best form. After considering the question again, I intend to move an amendment to the amendment in substantive form. Might I say, however, that in my opinion my proposed amendment to the amendment does not destroy the motion of my hon. friend, but simply makes it more applicable and more practicable. Again I congratulate my hon. friend on the very able speech which he made this afternoon in support of his resolution. It has been one of my weaknesses to admire men of talent, and I hope that that weakness will always remain with me. I admired my hon. friend this afternoon for the excellence of his address on the question of the reform of the Senate, and I think I can safely say that by it he has greatly added to his reputation in this House.

My hon. friend has offered several suggestions. I do not say that I do not agree with him, although it is true that the moment one turns in the direction of absolute reform he is subject to all kinds of criticism. I had this experience myself two years ago, when on the 21st of March, 1923, I addressed the House on the reform of the Senate. On that occasion I presented a substantive motion, that is, I proposed something definite, and I suggested that if the motion was not accepted as drafted, some other method might be adopted. The wording of my motion was:

> —or by any other mode of election as may be determined by parliament.

In my resolution I asked that the Senate of Canada be made elective, but my idea was that if my motion was not adopted as it stood, some other method could be determined upon as decided by parliament. On that occasion the Minister of Finance (Mr Fielding) declared very emphatically that a reform of the Senate was due. I wish to quote from page 1375 of Hansard of that year—and I desire to be excused for reading a compliment which the hon. minister paid me on that occasion; the sentence would not be understandable otherwise. He said:

> I will say this, however, that the hon. gentleman has rendered a very valuable service to the country in opening for discussion—

This is what I wish particularly to call attention to:

> —a question of great importance, one that arises from time to time and one which, if not to-day certainly at no distant day, will press for a solution.

That was the declaration of the Minister of Finance at that time, speaking undoubtedly for the government. However, in the same

speech the minister asked that the motion be not pressed because the time for definite action had not yet arrived, and upon his advice I decided not to ask for a division of the House on my motion.

Now the hon. member for West Calgary comes along with a negative resolution. He has tried to avoid the difficulties which a substantive resolution might meet, and I can only commend him for that. On the other hand, rightly or wrongly, speaking in the interests of the cause I frankly and honestly think that his ends might perhaps be better achieved if a substantive resolution was substituted for his negative resolution, and that is the reason why I intend to move a substantive amendment.

From what I have said it will appear as though the necessity for the reform of the Senate is something which nobody in this country disputes. When I had the honour of addressing the House on the 21st of March, 1923, my whole argument, after long and careful study of the question, was an attempt to demonstrate that a reform of the Senate was necessary. I am happy to-day to see that what I was preaching two years ago has now been accepted by the government itself. In the Speech from the Throne this year we see that the government proposes to bring about some scheme for the reform of the Senate. I take it for granted that my friends opposite me are in favour of the reform of the Senate, and for that they must be congratulated. I must take it for granted that the government are in favour of it, and if the Progressive party, as well as many members, I hope, of the Conservative party, are in favour of it, it is evident that the great majority of those who sit in this House are favourable to a reform of the Senate. I will therefore abstain from discussing the merits of the question; in other words, I shall not go into the question whether such a reform is due, because in my humble opinion that has already been abundantly proved. As to what the reform should be, that is another question, which I hope will be settled shortly.

What I propose to do at this juncture is to move an amendment to the amendment, for two reasons. My first reason is that although I approve absolutely of the resolution of the hon. member for West Calgary, that the Senate as at present constituted is not in the best interests of this country, I think the matter should be placed in a more positive form. If the positive form in which I want to place the motion is negatived—in other words, if the subamendment is rejected—then the House will have an opportunity of voting on my hon. friend's resolution, and assuredly I will vote for it.

Mr. MACLEAN (York): Will my hon. friend allow me a question? He says he understands that the government propose to deal with the matter. Let me put it in the words of the Manitoba Free Press:

> It is to be presumed, however, that it is the purpose of the government to have this conference consider methods by which the constitution can be amended at the will of the Canadian people, rather than itself to consider particular changes in the constitution such as the modification of the powers of the Senate.

My hon. friend is basing part of his argument upon a presumption, upon something in respect to which we have not any information except that the government may take some action. I would ask the Minister of Justice (Mr. Lapointe) if he will make that point clear before we hear what the amendment is.

Mr. LAPOINTE: Has my hon. friend read the Speech from the Throne?

Mr. MACLEAN (York): Well, that may keep for five years.

Mr. LAPOINTE: Oh, no.

Mr. DENIS (Joliette): I understand that my hon. friend wants a positive declaration from the government, but it is not in my power to give that declaration. I take it for granted that the government meant what they said in the Speech from the Throne, and it will be up to them to accomplish in some form the intent of that declaration.

The purpose of my subamendment is twofold; first, to add to the main motion and make it more practical, and secondly to destroy the amendment, because the amendment seeks the abolition of the Senate, and I am not and never have been in favour of the abolition of the Senate. If one examines the constitutions of all the most important countries in the world, one will see that with but one or two exceptions an upper chamber or a senate or a first chamber, as it is called in some countries, exists. Practically every country in the world has an upper or first chamber or a senate or superior council, which are all about the same thing. Therefore I am not in favour of the abolition of the Senate; but I am in favour of the Senate being reformed, and that is why I want to counteract the amendment with my subamendment. The subamendment which I propose reads as follows:

> That all the words after the word "that" in the amendment be struck out and the following substituted therefor:

The House approves of the convening at an early date of a conference between the government of the Dominion of Canada and the governments of the various provinces to consider the advisability of amending the British North America Act with respect to the constitution and the powers of the Senate.

I will now in a few short words try and explain my subamendment. Practically all of us, I presume, are in favour of reform of the Senate; but how can this be carried out? A few days ago in this House this question was raised indirectly on the resolution of my hon. friend from South York (Mr. Maclean): How can we amend our constitution? We cannot reform the Senate without amending our constitution, and my hon. friend was asking that the constitution of Canada be amended, whenever that was found necessary, according to the terms of his resolution. The two questions in my opinion are very correlated. I followed that debate very closely, and in my opinion the arguments which were made on that occasion by the hon. Minister of Justice (Mr. Lapointe), after a thorough examination of the question, were perfectly sound. He said in substance that confederation is a pact or contract. This everybody admits to-day. This was, in fact, declared at the time of confederation by the Fathers of Confederation, and is to be found in the debates on confederation. Therefore, if we start from that principle, that confederation is a pact or contract, we have to come to the conclusion that this contract cannot be altered unless all the parties to it are invited.

Mr. MACLEAN (York): Might I ask the hon. member to state exactly who are the parties to that contract?

Mr. DENIS: (Joliette): I do not think I should begin all over again the arguments that were brought forward the other day. I do not see exactly what my hon. friend is driving at. Does he mean that the other provinces that came in after the four original provinces are or are not parties to the contract?

Mr. MACLEAN (York): No, I go further. I say this: While you speak of the provinces, or of the thirteen original states in the United States, as making a constitution, the constitution of Canada is now practically in charge of this parliament as well as the original provinces, and I have not heard anyone yet proposing to protect the rights of this parliament in connection with this matter, or that the Parliament of Canada should be represented in the conference when it is held.

Mr. DENIS (Joliette): I think we are making a big mistake to compare the constitution of Canada with that of the United States.

[Mr. J. J. Denis.]

Mr. MACLEAN (York): I did not do that altogether.

Mr. DENIS (Joliette): If my hon. friend will follow me, we can no more compare the constitution of Canada with that of the United States than we can compare one contract with another that is drawn in a different way, although the two might bear on the same subject. The United States framed their constitution according to their wishes and desires; that is one contract. We framed our constitution according to our wishes and desires; that is another contract. And simply because there is a constitution on the one side and a constitution on the other, it does not follow that we can compare the two. We can no more compare our constitution with that of the United States than we can compare it with that of France or Germany or Ireland, the last constitution to be written. Therefore, I cannot accept any argument derived from a comparison of our constitution with that of the United States. We have to examine our own contract and determine our own status; we have to find out what was the purport of our contract, and what was the intention of the Fathers of Confederation. Now that intention is to be found in what they said at the time, and that is why the debates on confederation are so famous. I imagine that every member of parliament has read those debates, if not entirely, at least in part. They are so important and so illuminating as to the meaning of the Fathers of Confederation when they framed this pact. My hon. friend has taken me a little away from my subject and I do not want to detain the House too long.

I was saying that confederation is a pact or a contract, and that this pact or contract cannot be altered unless all the parties to it are first brought into a conference. That is the object of my subamendment. Supposing this parliament should pass a direct and specific resolution declaring that the Senate of Canada shall be reformed in this way or that; what would be the consequences? If the provinces should be satisfied with it, all well and good; but supposing one province should say: You have no right to do that; you cannot use the supreme power of the Parliament of Canada to break a contract or to alter our status in the Dominion. Now there is no question that the reform of the Senate might bring about an alteration of the status of the different provinces of Canada. It might bring about an alteration of the status of the minorities in Canada. It is all very well to talk of Senate reform. I am in favour of it; there is no man in this House more in favour

of it than I am; but we must approach the question in a legal and a constitutional way. If this parliament should take into their hands the power to reform the Senate without consulting the provinces, I am afraid that might give rise to very serious difficulties as between the Dominion and the provinces. That is why I am asking in the amendment to the amendment that the provinces convene with the Dominion in order to confer upon that subject. A few days ago the National Council of Agriculture passed the following resolution:

> That the council expresses its pleasure at the announcement that an international conference is to be held to consider the question of the reform of the Senate, and expresses the hope that the result of this conference will be a real measure of Senate reform.

We all know that the National Council of Agriculture have been preaching Senate reform. They are in favour of a reform of the upper house, and they are asking that a conference should be held with the provinces to consider the subject. Why? Because, rightly or wrongly, they believe as I do, that a question of such importance cannot be settled by the Parliament of Canada alone; it must be settled in a conference between representatives of this parliament and representatives of the different provincial legislatures.

Mr. GOOD: Did not my hon. friend commit an error in reading the resolution as he did? Did he not use the word "international" for the word "interprovincial"?

Mr. DENIS (Joliette): Did I say "international"?

Mr. STEVENS: The hon. member certainly did say "international".

Mr. DENIS (Joliette): It certainly should be "interprovincial".

Mr. MACLEAN (York): The hon. gentleman now admits the very point I raised in the House. He says it is to be a conference between the provinces and the Dominion parliament. We have got that fact now, and it is the first time it has been stated in the House. That is what I want, I want the Dominion to be represented in that conference.

Mr. LAPOINTE: You had that announcement before. The Speech from the Throne announced a conference between the federal and provincial governments.

Mr. MACLEAN (York): At any rate, we have got that far now.

Mr. LAPOINTE: You had that statement before.

Mr. DENIS (Joliette): There could be no mistake as to that. It was announced that there was to be a conference between the federal and provincial governments. Resuming my argument may I state my position in two words? I am in favour of the reform of the Senate, but because it seemed to me that everybody favoured that course I brought no argument to establish it. My only argument is as to the best way of reforming the Senate, and in my opinion the best course will be to follow the method suggested in the amendment to the amendment.

Mr. SPEAKER: The hon. gentleman's amendment is not an amendment to the main motion, it is an amendment to the amendment.

At six o'clock the House took recess.

After Recess

The House resumed at eight o'clock.

Mr. H. A. FORTIER (Labelle) (Translation): Mr. Speaker, I rise to support the subamendment moved by the hon. member for Joliette (Mr. Denis). Of all the motions before the House, the subamendment is yet the best solution, and for want of a better one, I sincerely give it my approval.

However, I think it behooves this Parliament, when it is a question of possible amendments to our constitution in regard to the Senate, to invite the provinces to a conference in order to inquire as to the need of these amendments. I do not approve of this subamendment for the same reasons given by the hon. member for Joliette (Mr. Denis), but I do so on entirely different grounds. It is well, if for no other reason than courtesy towards the contracting parties of the British North America Act, that the provinces be consulted when it is a question of important amendments as the one which refers to Senate reforms, and, on these grounds I think, we should submit this question to the provinces. Moreover, if such a conference had no other result but amendments in regard to the representation of the provinces it would equally be proper to consult the provinces.

It is a fact, Sir that a certain agitation has taken place in regard to the upper house, and it is perhaps well at this time that parliament should consult the provinces so as to settle once for all that our constitution, as it exists to-day, is still the best and that we have no reason to amend it. It would perhaps be the best means of putting an end to this agitation.

On March 23, 1923, the hon. member for Joliette moved in this House a resolution asking for the reform of the Senate. He wished to have the Senate elective, so that senators should be elected for six years in special electoral divisions, half of them being returned every three years. I must say that the hon. member adopts, to-day, an attitude which is in keeping with the stand he took in 1923. He is most sincere in his convictions and I congratulate him in rising again to-day in the House to support a motion for a reform based on the same grounds as in 1923.

I had the honour, at that time, to move the adjournment of the debate. If I had spoken then, I would have done so in the same way as to-day, I would have said that this reform must be proceeded with the greatest precaution and only after a conference with the provinces. I am attached to our constitution, I like the British North America Act such as it is, because it is a pact agreed upon by the provinces, a solemn pact under which our legislative powers are defined and which confides certain powers to the provinces and certain others to the Dominion government. This legislative power of the Dominion government is exercised by the King, the Senate and the House of Commons. The Fathers of Confederation had an aim in view, in 1867, when they created a Senate composed of members appointed for life and chosen by the Governor in Council, and the reasons given at the time were very sound. After many a long discussion, at that time, between the representatives of the various provinces, it was agreed to compromise by creating an upper house composed of life members appointed by the Governor in Council. Had we thought of following the example of other countries, we could have turned our eyes beyond the 45th parallel and seen a Senate with an organization different from that of our upper house; we might have found in other countries an elective Senate; but I think, the Fathers of Confederation were right in giving us an independent upper house, composed of senators appointed for life. I prefer our constitution to that of other countries. The constitution of 1867 is much better than the one in force in the neighbouring republic or that of other nations. I am attached to our constitution and the manner in which the Senate is constituted, because I think we have in this organization an upper house composed of men unswayed by influences. Such is the opinion of all those who have made a study of the constitution of 1867. The distinctive character of the upper house is that its members are independent; they are legislators as independent as one can find in a country.

[Mr. Fortier.]

They are independent because they are appointed for life and chosen by the Governor in Council, and, they have over and above the representatives of the lower house, this liberty of conscience necessary to a legislator which gives him the freedom on certain occasions to resist popular passion and to stick to the very last to his convictions for the welfare of his country. I have been told—not that I have personal knowledge of the fact because when I compare my way of thinking with that of my electors I must say that there is nothing that divides us—I have been told that it may happen that a member might be forced to take, under certain circumstances, an attitude contrary to his personal convictions. Yes, this may happen. We represent, in the House of Commons, a section of the country, various elements which, at times, may demand from members a certain line of conduct on a public question. The freedom of action of the members of the lower house is thereby curtailed. It is well to have some display of independence and to state that a member occupies a seat in the House so as to express his personal views, but when the said member returns to his county to ask for a renewal of his mandate, will not the elector call him to task for having aired his personal views contrary to the wish of a faction or party of an electoral district? I would not have thought of it myself if my attention had not been drawn to such a fact, for in all my political career never did such a case present itself where my electors had not in me this entire confidence with which they always entrusted me. Here, as well as in Quebec, I had but to rise to express my views in regard to legislation introduced and I always found myself heart and soul in accord with the wishes of the electors of my county. I cannot imagine that at any time, I might have to set aside my personal convictions, for when I express them, I express those of my electors; I trust in them as they trust in me. It is nevertheless a fact that a representative of the people may at times be called upon to handle with tact public passion roused by certain issues and he is thus unable to entirely assert his views. On the other hand, the representative in the upper house, the senator appointed for life, is totally independent. On all issues brought before the Senate, he can enjoy full liberty of conscience and freedom of action. I think it is a well established fact that the existence of an upper house is sometimes very necessary. At times, the Commons obliged to surrender to popular clamour, adopts certain legislation, however it does so with the conviction that the Senate will deal with such a measure on its merits, that it will,

if necessary, throw it out if it considers in its wisdom and from its unbiased viewpoint that such a measure is contrary to the interest of the country.

This is one reason why I am the more pledged to upholding the British North America Act and to maintaining the Senate as constituted.

Since reference has been made to constitutional law, I shall take the liberty of quoting a few comments which sum up the views of all those who have made a special study of our Constitution:

> The part played by the Senate, as a legislative body, is about the same as that of the House of Lords in England. It has the well defined right to throw out any measure passed by the House of Commons, however, it exercises its powers with prudence and discretion. We are indebted to it for the rejection of quite a number of bills inspired by ill-considered zeal or the effervescence of public opinion. With us, the ponderation of powers is settled; the Senate, in regard to legislation is absolutely the equal of the House of Commons and it has the advantage over the latter of being independent of both the power and passions of the people. If it takes its part seriously it may render us important services.

Let us now, Mr. Speaker, consider how the upper house is, at present, constituted. Does the fact of its members being appointed by the Governor in Council lower it in the esteem of the citizens of this country? Does it not compare favourably with any other chamber both in dignity and usefulness? What higher authority than the Governor in Council can make the appointment of senators. It has been stated in this debate that the upper house might be better constituted if the provincial governments were entrusted with the selection of its members or if the government requested people of high standing in this country to join them as advisers for the purpose of appointing senators. Let us be rid forever of these so called all important people without responsibilities whatsoever to advise on the appointment of members to the Senate! The best guarantee we have that the upper house is composed of citizens able to fulfil their important duties, is that the appointment of senators is left to the government. Moreover it is the government, holding ministerial responsibility, who appoint the members to the Senate, and the government represent authority, established power, in fact the country. Indeed, we have no fault to find as to appointments made up to now, for most of the time—and the government has been well guided in the matter—senators have been chosen amongst members of the House of Commons; it is precisely here where they are recruited in greater number.

Mr. LAPOINTE (Translation): Is that the best system?

Mr. FORTIER (Translation): It is without doubt the best system. Rightly has the government, in numerous instances, appointed to the Senate members who enjoyed the full confidence of their electors and had faithfully served their country during a great number of years.

It is apparent that members of this House, who have been here for a long time and have built up an enviable reputation, are most qualified to sit in the upper house, and we may rest assured that they will allow only sound legislation to be enacted. The course followed by all governments—this one as well as others that have preceded it—is the best; it is a pledge that the Senate will always be composed of worthy and experienced men, the custom followed being to select among the well deserving servants of the state, either in the House or anywhere else. I, therefore, trust, Mr. Speaker, that we shall maintain the present system of appointments to the upper house which exists since Confederation and to which there is no reason—I again state—to effect any changes.

When the hon. member for Joliette (Mr. Denis) spoke, a short while ago, with so much enthusiasm upon his subamendment, he stated, as he had done with such eloquence in 1923, that he thought the whole of the province of Quebec was behind him on this question of Senate reform. I shall not wound him by asking him to lay a wager—because I know he is very strongly adverse to wagers—but I shall take upon myself to inform him that he is greatly in error, because the province of Quebec is, by tradition, in favour of maintaining the constitution and the Senate as they are. For all the above reasons I shall vote for the subamendment.

Mr. J. L. BROWN (Lisgar): I should like to join with hon. members in congratulating the hon. member for West Calgary (Mr. Shaw) on the way he presented this matter this afternoon. I must say that I find myself in almost perfect accord with the views he expressed both as to the desirability of the second chamber and as to the method of reform which he, perhaps I should not say advocated, but suggested. I think it was wisdom on his part to introduce the resolution in this negative form. By introducing it in that way, he wished to give us an opportunity to express ourselves as to the present condition of things without any reference at all to possible changes that might be made. I know it has been urged by some who have already spoken that the resolution of the

hon. member for West Calgary did not go far enough because it did not advocate any definite proposal. They claim that there is practical unanimity in regard to the resolution as placed upon the order paper. That may be so. I hope it is so, but it seems to me it would have been well worth while, if that be the case, that we should have had a clear-cut plain statement going forth to the country that the Commons of Canada are not satisfied with things as they are at present. Instead of being able to express ourselves on that clear, plain, simple proposition, we have had the matter somewhat entangled by amendments and subamendments. I think our experience of a week ago has shown us that we sometimes get into almost inextricable confusion with amendments and subamendments, and it might possibly be that some members will find themselves again in an embarrassing position. I greatly regret, Mr. Speaker, that hon. members have seen fit at this stage to introduce any amendment, because it does not leave us free to express ourselves on the clear-cut proposition that the Senate of Canada as appointed, and as at present constituted, does not meet the needs of the Canadian people. Are we unanimous on that subject? I believe we are. Certainly the government committed themselves to that proposition when, in the Speech from the Throne, they promised that a conference of the provinces on the subject would be called. So far as those who sit in this corner of the House are concerned, we earnestly endorse the principle, and I have some reason to believe that those who sit on my right, the Conservative party, are also behind this proposition. Certainly their leader is on record at one time as having endorsed the proposition for the total abolition of the Senate, and if that statement is questioned—

Mr. MEIGHEN: I have not heard what the hon. gentleman said, and therefore will not contradict it.

Mr. BROWN: Perhaps the House would like to have my authority for that statement. In January, 1909, Mr. E. A. Lancaster of Lincoln and Niagara, introduced a resolution in the House which, after a long preamble, concluded in this way:

> We therefore respectively pray that the said British North America Act be so amended as to provide for the abolition of the said Senate.

That proposition was debated at considerable length, and at the close of the debate was voted upon and the proposition was defeated by some 22 to 111. Among the 22 I find the name of Mr. Meighen. If that is not the right hon. gentleman who now leads

the opposition, then of course my most humble apology is due to him. I am the last man in this House who will deny to any man the right to change his mind; but if his mind on this subject has been changed we will naturally expect to hear from him; but until we have a definite announcement as to such a change we will hold that the Conservative party, as represented by their leader, is in favour of the proposition that the Senate as at present constituted is not for the welfare of Canada. I should like to suggest that we have some reason to believe that the Senate itself would be behind such a proposition. The hon. member for West Calgary this afternoon mentioned the fact that Hon. Sir Richard Scott is on record as having recognized the necessity for Senate reform. I might quote the following in this connection. Hon. Sir Richard Scott moved in the Senate a resolution beginning:

> That, in the opinion of the Senate the time has arrived for so amending the constitution of this branch of parliament as to bring the mode of selection of senators more into harmony with public opinion.

Not only was Sir Richard Scott in favour of Senate reform, but we have also Sir Richard Cartwright on record as at one time being in favour of it; and I have no evidence that he changed his mind, although he occupied a place in the Senate. Mr. Lancaster, speaking on the resolution which he introduced to the House, referred to the fact that Sir Richard Cartwright, upon the eve of a general election, speaking in Massey Hall, Toronto, used this language:

> The Senate was a millstone around the neck of the Canadian people which he prayed that Providence would soon remove.

Mr. Lancaster goes on to say, somewhat humorously:

> I presume the right hon. gentleman is still praying. But he is not praying in the form in which this House should pray, by a concrete motion to bring about a result. And if I may say so, without being flippant, I do not think that the locality in which he is praying is quite consistent with his prayer, for he is now a member of the chamber which he hoped Providence would abolish.

I referred to the debate that took place in the House on Mr. Lancaster's motion when the right hon. leader of the opposition voted in favour of abolition. I find in the same connection another well known gentleman, Mr. Sharpe of Lisgar. Mr. Sharpe also voted in favour of the abolition of the Senate, and he too occupies a seat in that honourable body. Now, until we have evidence that these men have changed their minds we can only believe that they accepted these positions in the conviction that they could serve the country there better than anybody else.

We must take it therefore that these and other hon. gentlemen, when the time comes, will willingly throw up the life appointment which they evidently accepted in the public interest. We must believe that when there is a sufficiently strong public demand they will resign their seats and do what they can to bring about the reforms which we advocate.

The hon. member for West Calgary very wisely pointed out the anomaly that exists in the Senate as it is at present constituted, its chief function supposedly being that of protecting provincial rights. Surely it is anomalous that a body should be specially charged with the protection of provincial rights when it is in no way responsible to the provinces. During a debate that was held in the session following that in which Mr. Lancaster's motion was debated, Sir Wilfrid Laurier made some remarks in this connection. There was introduced into the House by Mr. M. Y. McLean of Huron a resolution very similar to the one we have before us at the present time—

That, in the opinion of this House, the Dominion Senate as at present constituted is not in accordance with the representative institutions of this country, and the government should take the necessary proceedings to have the Senate made representatives of and directly responsible to the people.

In this connection Sir Wilfrid Laurier, while defending the system of appointments, made these remarks:

I will go further and I will give this as my very deliberate opinion, that if there is to be a reform of the Senate it should be in line with the purpose for which the Senate was instituted in this country, that is to say, to protect minorities, and to make it representative of the provinces rather than any other body of men.

He closed the debate with these words:

I am prepared to approach this question without any bias, and I am prepared to have the question examined whether or not, while we should keep the nominative appointment in the government, we should give a share of the responsibility to the different provinces. That is a suggestion which is well worthy of consideration. I agree with my hon. friend that something should be done. This is the last of the reforms which we promised the country, and which we have not yet carried out. It is a reform which we are anxious to carry out, but we wish to carry it out on lines which, I think, would be more in consonance with the spirit of our constitution.

That motion was not voted upon but was withdrawn. The member for West Calgary, in offering suggestions for possible reform, alluded to the constitution of the Irish Senate. When the act constituting that body went through the British parliament the constitution of the Irish Senate was brought to my notice and it made a more favourable impression upon my mind than any proposition I had seen presented up to that time. I think there is much in it that is well worth our consideration, and in my judgment that plan that has worked in the case of the Irish Free State, with the modifications that would be necessary to suit our conditions, might very well serve the purpose we have in view. I think, Mr. Speaker, it would be well worth while for me to read from the British statutes a few clauses of that act relating to the constitution of the Irish Senate. The British statutes in this form are not very readily available to many sections of our people, but Hansard is now widely circulated through the country, and if this matter is to be understood by the people it is well that they should have access to the British statute constituting the Senate of the Irish Free State. For that reason I shall ask leave to place it on Hansard, and in the meantime I propose to read a few clauses of the act.

Article 82

(a) The first Seanad Eireann shall consist of sixty members, of whom thirty shall be elected and thirty shall be nominated.

(b) The thirty nominated members of Seanad Eireann shall be nominated by the president of the Executive Council who shall, in making such nominations, have special regard to the providing of representation for groups or parties not then adequately represented in Dail Eireann.

(c) The thirty elected members of Seanad Eireann shall be elected by Dail Eireann voting on principles of proportional representation.

(d) Of the thirty nominated members, fifteen to be selected by lot, shall hold office for the full period of twelve years, the remaining fifteen shall hold office for the period of six years.

(e) Of the thirty elected members the first fifteen elected shall hold office for the period of nine years, the remaining fifteen shall hold office for the period of three years.

(f) At the termination of the period of office of any such members, members shall be elected in their place in manner provided by article 32 of this constitution.

(g) Casual vacancies shall be filled in manner provided by article 34 of this constitution.

There are four short articles referring to this matter. It will be noticed that the article I have read has reference only to the first Irish Senate. After it is constituted these rules will apply:

Article 30

The Irish Senate shall be composed of citizens who shall be proposed on the grounds that they have done honour to the nation by reason of useful public services or that, because of special qualifications or attainments, they represent important aspects of the nation's life.

Article 31

The number of members of the Irish Senate shall be sixty. A citizen to be eligible for membership of the Irish Senate must be a person eligible to become a member of Dail Eireann, and must have reached the age of thirty-five years. Subject to any provision for the constitution of the first Irish Senate the term of office of a member of the Irish Senate shall be twelve years.

Article 32

One-fourth of the members of Seanad the Irish Senate shall be elected every three years from a panel constituted as hereinafter mentioned at an election at which the area of the jurisdiction of the Irish Free State shall form one electoral area, and the elections shall be held on principles of proportional representation.

I shall refer to that again. Article 33 provides for the panel:

Before each election of members of the Irish Senate a panel shall be formed consisting of (a) Three times as many qualified persons as there are members to be elected, of whom two-thirds shall be nominated by Dail Eireann voting according to principles of proportional representation and one-third shall be nominated by the Irish Senate voting according to principles of proportional representation; and

(b) Such persons who have at any time been members of the Irish Senate (including members about to retire) as signify by notice in writing addressed to the president of the Executive Council their desire to be included in the panel.

I am satisfied that some modification of this scheme could be well applied to our own situation. Granting that we accept the provision that the representation should be made more directly by the provinces, why should we not have a province, such as Manitoba, with a given number of senators, constituted into one electoral division, just as is done in the case of the Free State. Nominations would be made under a system agreed upon and then the requisite number of senators elected according to proportional representation. I know proportional representation is anathema to some hon. gentlemen who sit in this House.

Mr. McMASTER: That is because they do not understand it.

Mr. BROWN: Yes. I think if the hon. member for Vancouver Centre (Mr. Stevens) had understood it clearly he would not have placed on Hansard the figures that he gave us some time ago. I am quite satisfied, Mr. Speaker, that proportional representation in such a case would secure the desired result of having the members of the Senate from any given province representative of the thought, feeling and desires of its people. I am not satisfied that it would be well for us to depart from the principle of representation by population. That has been suggested, and the United States has been cited as an example. It is true that if the functions of the Senate were only to protect state rights, then the fact of the smaller states having equal representation with the larger might ensure their interests not being jeopardized by the action of the larger states. But the Senate of the United States does not by any means confine its activities to protecting the rights of the smaller states. And when it comes to dealing with larger matters of policy, I cannot at present see that it would be wise for us to depart altogether from the principle of representation by population. It may be that the numbers are too large as at present, although even that may be a matter of doubt.

I hope Mr. Speaker, that if we can vote on the original proposition as submitted to the House we will have an absolutely unanimous expression of opinion, and while that may not satisfy some hon. members, it seems to me it would be no small achievement, for it would go forth to the country that on this matter the Commons of Canada are not in favour of things as they are.

Mr. A. J. LEWIS (Swift Current): Mr. Speaker, like other members, I should like to congratulate my hon. friend from West Calgary (Mr. Shaw) on bringing this important matter before the House. I am not so sure that I can congratulate him on his tolerance of the Senate. With the hon. member for Lisgar (Mr. Brown), I should like to see everyone have an opportunity of stating his position either in regard to Senate reform or possibly to its abolition.

What is all the hue and cry about? Why is it that since 1874 various resolutions have been brought forward in this chamber and long discussions have taken place with respect to Senate reform, and yet in the end nothing has been done? What has brought this important subject once more before the public, what has focused their attention upon that honourable body? It is because in the past that honourable body has nullified certain legislation passed by this chamber. It seems to me that no matter how you may endeavour to reform the Senate, just so long as you have such a body enjoying that prerogative the wishes of the people will be thwarted. I have before me at the present time a statement of the number of bills thrown out by the Senate since 1867—about fifty-seven years—numbering approximately 150. Some of those measures, of course, were of minor importance, but many of them were of major importance and would have been of decided advantage to the Canadian people had they been placed on the statute book of this fair Dominion. It cannot be expected that the Senate will acquiesce in everything that this House does, otherwise it would be simply a duplication of the legislative machinery; and if we are to have a second chamber without power either to initiate or nullify legislation, the only logical course, it seems to me, is to abolish that second chamber.

Of course, arguments have been advanced against the abolition of the Senate, and those in favour of its retention tell us that a second

chamber is necessary to check hasty legislation. But I cannot see any reason for an intelligent democracy such as ours to have its representatives held in check by an appointive body. If that body was removed altogether this chamber would be far more careful in passing legislation. There are many instances on record where parliament has passed legislation with the direct intention that it shall be nullified by the Senate, the object being to make political capital. It seems to me that the only ground upon which the issue can be sidestepped is that of political expediency; it cannot be done if the wishes of the people or the well-being of the country are kept in mind.

That the Senate exists to safeguard the interests of the provinces was a point brought out, I believe, by the hon. member for Lisgar (Mr. Brown) as well as by the hon. member for West Calgary. Well, when the Senate had an opportunity to safeguard the interests of the three great prairie provinces, Manitoba, Alberta and Saskatchewan, in connection with their natural resources, they failed miserably. That was the time when they should have stood four-square to the wind and have seen to it that these three provinces entered the confederation on the same basis as the other provinces. If those responsible for this resolution rest their case on the argument that the Senate exerts its prerogative against the wishes of the people, the only logical thing to do is not to reform the Senate but to abolish it.

In his trip west, the Prime Minister (Mr. Mackenzie King) once again stirred up public opinion and focused attention on the Senate by his references to the subject, and a great many people out there hoped that something definite would be done by this parliament. Of course, the more serious minded people realized that this parliament could not accomplish anything of itself; that the only constitutional way to reform or to abolish the Senate was to call a conference of the provinces. Apparently the Prime Minister has also reached that conclusion, because what he hoped to do was announced in the Speech from the Throne this year. It seems to me that this is the only logical way out. The hon. member for Hants (Mr. Martell) in a speech delivered last year, pointed out that under the British North America Act the Parliament of Canada consists of both Houses and the only way to reform or abolish the one or the other is to get the consent of the parties to the confederation, namely, the provinces. He showed that the power was not given this parliament to change the constitution of either House.

Senate reform involves a constitutional question. This aspect of the matter was discussed the other day and I shall not enter very fully into it. There was no unanimity in the discussion that took place in the House on that occasion. Constitutional lawyers and other lawyers and hon. members generally expressed their views, but no definite conclusion was arrived at. Since abolition of the Senate is really out of the question, logical as it may seem to be, I wish to refer for a few moments to certain reforms that I think might be considered.

The hon. member for West Calgary read a part of the speech delivered by the Minister of Finance (Mr. Fielding) dealing with this question. You will remember that the Minister of Finance, speaking two years ago, said that the Senate was a check, not a block; that our country was variously constituted, the people of different sections of the country having different ideas on many questions, and that it was necessary to have a senate in order to place a check upon hasty legislation. Well, have they really checked any hasty legislation? In 1919 legislation which had the effect of taking away the right of trial by jury of persons born outside of Canada was passed in this House, and it was also passed in the other chamber in almost less than an hour. They failed miserably to check that legislation. Some years afterwards when we of the Progressive party came into this House we attempted to repeal that legislation, which we regarded as a blot upon the fair name of British and Canadian people, but that attempt was blocked; so I submit that the Senate has miserably failed either to check hasty legislation or—in many cases—to permit the passing of legislation of real value to the Canadian people.

The government has promised to proceed along constitutional lines, and I do not see the value of continuing this discussion unless it be to give the government the benefit of the opinion of representatives of the people when the conference of the provinces is held during the summer. I can readily understand that if this body is to continue to exist it must have certain power and it must have the right to safeguard the provinces. Some measure of control must rest with the second chamber. But when a measure has been before the people and has been discussed by them; when an issue has been placed before the electors and they have decided upon it in no uncertain way by returning representatives who, they believe, will introduce those views in the form of legislation, then I do not think it is logical that there should be any power on the part of another body to

nullify that legislation. Of course if a government introduces legislation that has not been fully considered by the people, then the second chamber, if we are to have one, should have the right to nullify that legislation until such time as the electors have an opportunity to examine it fully. Subsequently, if there is no hue and cry against it; if no serious objection is urged, in the following session this House should have the right to introduce that legislation again and enact it into law.

The hon. member for West Calgary was on good ground when he referred to the equalization of representation among the provinces. I do not see any reason why Ontario and Quebec should dominate all the rest of Canada. I believe myself that the only fair thing to do would be to give equal representation to each of the provinces, especially since it is claimed that the Senate exists for the safeguarding of the provinces. I do not agree, if we are going to have a second chamber, that a membership of thirty-six would be sufficient. Canada is a great country and it would be very difficult for four representatives from each province to keep in touch with affairs in all the provinces. If there is to be a second chamber I believe those who represent the provinces should be able to keep fully in touch with them; accordingly eight or ten representatives at least for each province would be necessary to safeguard the interests of the people.

With regard to the election of the Senate, I do not see that that is at all practicable or desirable. The people have already spoken as to who should represent them in parliament; they have elected their representatives to the House of Commons. Shall they elect another body to supervise or exercise jurisdiction over the first? It does not seem to me to be necessary or even logical to have two bodies of men, both representatives of the people and one working against the other. An elective Senate would be a duplication of this chamber. I have before me the complexion of the Senate, not the political complexion, but the interests they represent. If we are going to have a Senate, it should be representative of the masses, and I would like to ask, how many representatives have the farmers of this country got in the Senate? The agriculturists number at least 52 per cent of the whole of Canada, but how many representatives of agriculture can you find in that chamber? How many working men can be found in the Senate to-day? Surely they have a right to be represented there; surely the farmers have a right to be represented there. If you will go over the list, you will find that the great majority of the men comprising the Senate are lawyers. I have nothing to say against the lawyers; they have a right to be represented there just as much as anybody else, if we are going to have a chamber of that kind; but if we are going to have representatives of the people in that chamber we have a right to see that our representatives are there. I have before me a tabulation based upon the Parliamentary Guide and the Annual Canadian Financial Review, showing the directorships which members of the Senate hold. This tabulation shows that Senators hold 266 directorships in various companies. This may seem to show that they are representative business men, but I contend that it shows also that the interests of these companies and of the great industries of this country are very particularly represented in the second chamber, and if you want any proof of that, without mentioning any names I can pick at random the directorships that some of these men hold. Take Mr. A., for instance who according to the Parliamentary Guide is a Conservative. He is a director in the following companies: Fire Insurance Company of Canada; North Railway Company; Dominion Steel Corporation; Atlantic Sugar Refinery; Canada Car & Foundry Company, Limited; Ames Holden, Limited; The Insurance Company of Canada; Mount Royal Hotel Company; Capital Trust Company; Dominion Coal Company; Nova Scotia Steel & Coal Company; Eastern Car Company; Acadia Coal Company, Limited. This one individual, Mr. A, a representative of the people, holds thirteen directorships; so I think these companies are ably represented in the Senate. I say that it would be most difficult so long as we have that type of man in the Senate to pass bills affecting any of these interests.

Here is another member of the Senate, Mr. B, a Liberal. He is a director in the following companies: Canada Cement Company; British Empire Steel Corporation; Reliance Insurance Company of Canada; Canada Steamships Company. Here is another, Mr. C, a Conservative, who is a director in the following companies: Rhodes Curry, Company; Canada Car & Foundry Company; Canadian Steel Foundries, Limited; The Pratt & Lackworth Company, Limited; Canadian Land Company; Bank of Nova Scotia; Canadian Light & Power Company; Canadian Accident & Fire Insurance Company; Cuban Canadian Sugar Company; Montreal Trust Company; Montreal Tramways & Power Company; Travellers Life Association of Canada. What I want to make known to the Canadian people is this, that these men who have been appointed to the Senate by both Liberal and Conservative governments are

men who are held in high esteem necessarily by these great companies, by the capitalistic class of Canada, and how can you expect that when any democratic government wishes to bring forward legislation for the well being of the Canadian common people that these men will not nullify it? You cannot expect anything else. I do not wish to read this list, but I would like to place it on Hansard.

The list referred to is as follows:

Mr. D. Liberal, director of the following companies: M. J. O'Brien Ltd.; Delora Smelting & Refining Co.; Great Lakes Dredging Co. Ltd.; Capital Trust Co.; Canada Gulf & Terminal Ry.; Missouri-Cobalt Co.; Bank of Nova Scotia; Yellowhead Coal Co.; O'Brien Mine C; Miller, Lake, O'Brien Mine Ltd.; Boundary Investments Ltd.; Canada Paperboard Co. Ltd.; Eastern Security Co.; Inter-Provincial Flour Mills Ltd.; Renfrew Machinery Co. Ltd.; Peabody, Houghton & Co.; Herron Lumber Co.

Mr. E. Conservative, director of the following companies: Montmorency & Charlevoix Ry.; Webster Steamship Co.; Can. Import Co.; St. Lawrence Stevedoring Co.; Holt, Renfrew & Co.; Can. Salvage Association; Can. Fur Auction Sales Co. Ltd.; Quebec Apartment House Co.; Nova Scotia Steel & Coal Co.; Montreal Tramways Co.; Goodwins Ltd.; St. Lawrence Sugar Refineries Co.; Travellers Life Assur. Co.; Dominion Manufacturers Ltd.; Hudson Bay Knitting Co.; British Traders Insurance Co.; Union Insurance Society of Canton; Dominion Flour Mills Ltd.; International Trading Co.; Bankers Trust; Dryden Paper Co. Ltd.; Mount Royal Hotel Co.

Mr. F. Conservative, director of the following companies: Montreal Gazette Printing Co.; Steel Co. of Canada; Hamilton Iron & Steel Co. Ltd.; Montreal Rolling Mills Co.; Canada Screw Co. Ltd.; Dominion Wire Manufacturing, Co. Ltd.; Canada Bolt & Nut Co. Ltd.; United Financial Corp.; Montreal Trust Co.; Mount Royal Hotel Co.; Canada Steamship Lines Ltd.; Northern Navigation Co. Ltd.; Inter-Continental Transport Services Ltd.; Tide Water Shipbuilders Ltd.; Davis Shipbuilding & Repairing Co. Ltd.

Mr. G, Liberal, director of the following companies: Boivin Wilson & Co.; Bank of Hochelaga; Canada Publishing Co.; Mount Royal Assur. Co.; The National City Co. Ltd.; Montreal Tramway & Power Co. Saguenay Pulp & Power Co. Ltd.; Windsor Hotel Co.

Mr. STEWART (Leeds): Can the hon. member give us any example of legislation in the interests of the people that has been rejected by the Senate?

Mr. LEWIS: I have before me 150 measures that have been nullified by the Senate, and if you would like, I would place these on Hansard too.

The statement is as follows:

List Of House Of Commons Bills Rejected By The Senate

1867-68

An Act respecting offences relating to the Coin.

An Act respecting Procedure and other matters relating to Criminal Law.

An Act respecting Cruelty to Animals.

An Act respecting Indictable offences by Forgery.

An Act respecting the duties of Justices of the Peace out of Sessions, in relation to persons charged with indictable offences.

An Act respecting the prompt and summary administration of Justice in certain cases.

An Act respecting the trial and punishment of Juvenile Offenders.

An Act respecting the duties of Justices of the Peace out of Sessions, in relation to summary Convictions and Orders.

An Act for the release and surrender of offenders wrongfully arrested in certain cases.

An Act respecting offences against the person.

An Act respecting Patents of invention.

An Act respecting Perjury.

An Act respecting Malicious Injuries to Property.

1869

An Act to amend certain Acts of the Legislature of the late Province of Canada respecting the inspection of raw hides and leather.

1871

An Act to incorporate the Kingston Board of Trade.

An Act to incorporate the Toronto Corn Exchange Association.

An Act respecting Weights and Measures.

An Act to incorporate the Board of Trade of the town of Windsor, Ontario.

1872

An Act to repeal the Insolvency Laws.

An Act to incorporate the North Western Trading Company.

1873

An Act to amend the Law relating to Bills for Exchange and Promissory Notes.

1874

An Act to amend the Act 36. Vic. Chap. 106 incorporating "The Canada Investment and Guarantee Company."

An Act to amend the Act 35. Vic. Chap. 13, intituled "An Act to readjust the Representation in the House of Commons.

1875

An Act to provide for the construction of a railway from Esquimalt to Nanaimo in British Columbia.

An Act to provide for the salaries of County Court Judges in the Province of Nova Scotia.

An Act for the better protection of Persons and Property conveyed by Railways.

1876

An Act to incorporate the Investment Company of Canada.

An Act to amend the Act 38. Vic. Chap. 142, respecting the transportation of Cattle by railway or other means of conveyance within the Dominion of Canada.

An Act to incorporate the United Empire Trust Company, Ltd.

1877

An Act respecting the collection and management of the Revenue and auditing of Public Accounts and the liability of Public Accountants.

An Act to provide for the admission of fish and fish oil inspected in Newfoundland to the markets of Canada without further inspection.

1878

An Act for the amendment of the Law of Evidence in certain cases of misdemeanor.

An Act respecting the offices of Receiver General and Attorney General of Canada.

1879

An Act to make further provision in relation to Bank Holidays.

An Act to provide for the salaries of two additional Judges of the Supreme Court of British Columbia.

An Act to repeal the Acts respecting Insolvency now in force in the Dominion.

An Act to repeal an Act to regulate the construction and maintenance of Marine Electric Telegraphs.

1880

An Act to legalize marriage with the sister of a deceased wife.

An Act to amend an Act to provide that persons charged with common assault shall be competent as witnesses.

1880-81

An Act to incorporate the Don River Improvement Company.

1883

An Act to amend the Criminal Law, and to extend the provisions of the Act respecting offences against the person.

An Act to amend the law respecting cruelty to animals.

An Act to provide for the punishment of seduction and like offences.

1884

An Act to provide for the punishment of seduction and like offences.

1885

An Act to further amend the law of evidence in Criminal cases.

1886

An Act to amend, and consolidate as amended, the statutory provisions respecting Chinese Immigration.

An Act to amend the Consolidated Railway Act, 1879.

An Act for the further amendment of the Law of Evidence in certain cases.

1888

An Act to incorporate the Ottawa, Morrisburg and New York Railway and Bridge Company.

1889

An Act to permit Foreign Vessels to aid Vessels wrecked or disabled in Canadian Waters.

An Act to provide for the building and working of a line of Railway from Harvey to Salisbury or Moncton, in the province of New Brunswick.

An Act to incorporate the Ottawa, Morrisburg and New York Railway Company.

1890

An Act to amend the Act for the prevention and suppression of combinations formed in restraint of trade.

An Act to incorporate the Elbow River Water Power Company.

1891

An Act to incorporate the Inverness and Victoria Railway Co.

An Act to incorporate the Whirlpool Bridge Company.

1892

An Act to amend the Act to incorporate the School Savings Bank.

1894

An Act to secure the better observance of the Lord's Day, commonly called Sunday.

1895

An Act to incorporate the Canadian Order of Foresters.

1896. 2nd session

An Act respecting the Hull Electric Company.

[Mr. Lewis.]

1897

An Act to incorporate the Cataract Power Company of Hamilton, Ltd.

An Act to confirm certain agreements entered into by Her Majesty with the Grand Trunk Railway Company of Canada and the Drummond County Railway Company for the purpose of securing the extension of the Intercolonial Railway System to the city of Montreal.

An Act respecting the Kingston and Pembroke Railway Company.

An Act to incorporate the pilots serving between Quebec and Montreal.

An Act to amend the Railway Act.

An Act respecting the Restigouche and Victoria Railway Company.

An Act to incorporate the Winnipeg, Duluth and Northern Railway Company.

1898

An Act to confirm an agreement between Her Majesty and William Mackenzie and Donald D. Mann, and to incorporate the Canadian Yukon Railway Company.

An Act respecting the Manitoba School Fund.

An Act respecting the North American Telegraph Co.

An Act to further secure the safety of Railway employees and passengers.

An Act to incorporate the Supreme Grand Lodge of the Sons of England Benefit Society.

An Act in further amendment of the Trade Mark and Design Act.

1899

An Act to incorporate the British Pulp, Paper & Railway Co.

An Act to amend the Criminal Code, 1892, so as to make more effectual provision for the punishment of seduction and abduction.

An Act respecting the Portage du Fort and Bristol Branch Railway Company.

An Act respecting representation in the House of Commons.

An Act in further amendment of the Trade Mark and Design Act.

1900

An Act to incorporate the Canada National Railway and Transport Company.

An Act to incorporate the Gaspe Short Line Railway Company.

An Act to amend the Act respecting the Judges of Provincial Courts.

An Act ta amend the Land Titles Act, 1894.

An Act to amend Post Office Act.

An Act to authorize the sale of the Yarmouth Steamship Company's property to the Dominion Atlantic Ry. Co.

1901

An Act to amend the Animal Contagious Diseases Act.

An Act respecting Le Crédit Foncier du Bas Canada, and to change its name to Le Credit Hypothécaire du Canada.

An Act respecting the Montreal and Southern Counties Railway Company.

An Act respecting the South Shore Railway Company.

1902

An Act to incorporate the Gaspe and Western Railway Company.

An Act to incorporate the Bishop of the Orthodox Russo-Greek Catholic Church for North America and Aleutian Islands and each of the parishes and missions of the said church in Manitoba and the North West Territories.

An Act to amend the Petition of Right Act.

1903

An Act to incorporate the Gaspe and Western Railway Company.

An Act to incorporate the Maritime Railway and Transportation Company.

1904

An Act respecting Aliens.

An Act to amend the Exchequer Court Act.

An Act respecting the Hamilton, Grimsby and Beamsville Electric Railway Company.

An Act respecting the New Brunswick Southern Railway Company.

1905

An Act respecting Labour Union Labels.

1906-07

An Act to incorporate the Western Rivers Improvement Company.

1907-8

An Act respecting Co-Operation.

An Act to incorporate the Saskatoon, Saskatchewan, Peace River and Dawson Railway Company.

1909

An Act to amend the Exchequer Court Act.

An Act respecting Insurance.

1910-11

An Act to amend the Interest Act.

An Act respecting the Vancouver and Lulu Island Railway Co.

An Act respecting hours of labour on Public Works.

An Act to amend the Railway Act.

An Act respecting the Ontario and Minnesota Power Co.

1911-12

An Act respecting the Vancouver and Lulu Island Highways.

1911-12

An Act to provide for the appointment of a Tariff Commission.

An Act to authorize the granting of subsidies to the Government of the Province of Ontario in aid of the construction of the Temiskaming and Northern Ontario Railway.

An Act to amend the Inspection and Sale Act.

1912-13

An Act respecting the Richelieu and Ontario Navigation Co.

An Act to incorporate the Prudential Life of Canada.

An Act to authorize measures for increasing the effective Naval Forces of the Empire.

An Act respecting Canadian Northern Railway Branch Lines. (Commons declined to accept Senate amendments.)

An Act respecting Government Railways, Amendment Act. (Commons declined to accept Senate amendments.)

An Act respecting Improvement of Highways. (Commons declined to accept Senate amendments.)

1914

An Act for the relief of the Depositors of the Farmers Bank of Canada. (Six months hoist.)

An Act respecting the Post Office Amendment Act. (Commons refused to accept Senate amendments.)

An Act respecting the Labrador, Quebec and Southern Railway Company. (Commons declined to accept Senate amendments.)

1915

An Act to amend the Supreme Court Act. (Six months hoist).

1916

An Act to amend the Railway Act.

1917

An Act to consolidate and amend the Railway Act.

1918

An Act to amend the Inspection and Sale Act (Food containers, firewood and cement).

1919

An Act to amend the Criminal Code (Sexual offences).

An Act to amend the Biological Board Act.

An Act to confirm the Order-in-Council of the 24th February, 1919, prohibiting the importation manufacture and transportation of intoxicating liquors, and the Order-in-Council of the 12th April, 1919, in amendment thereof.

An Act to incorporate the Northwest Route, Limited.

An Act to incorporate the Athabaska, Grande Prairie and Fort Vermilion Railway Company.

An Act respecting Electric and Power Companies.

1920—2nd session

An Act to amend the Navigable Waters Protection Act.

1921

An Act to amend the Research Council Act, and to establish a National Research Institute.

An Act to incorporate La Compagnie de Telephone Quebec Union Electrique. (The Quebec Union Electric Telephone Company).

1922

An Act respecting the Quebec Light Heat & Power Co.

An Act respecting the Buffalo and Fort Erie Public Bridge Co.

An Act respecting the Criminal Code.

An Act respecting the Lake of the Woods.

1923

An Act for the Repeal of the Lake of the Woods Regulation Act, 1921 (Six months hoist).

An Act to amend the Canada Temperance Act. (Commons declined to accept Senate amendments).

An Act respecting the Construction of Canadian National Railway Lines (Six months hoist).

An Act to amend The Post Office Act. (Defeated on second reading).

An Act to amend the Industrial Disputes Act, 1907. (Commons declined to accept Senate amendments).

1924

An Act respecting Trade between Canada and Finland. (Committee rose).

An Act respecting the Disposal of the Canteen Funds. (Three months hoist).

Canadian National Railway Construction Bills:—

Bill 50—Kelvington Branch—Reported against.

Bill 30—Rousseau & Laurent—Reported against.

Bill 32—Guysboro—Reported against.

Bill 40—Nepawin—Reported against.

Bill 54—Radville—Reported against.

Bill 48—Turtleford—Three months hoist.

Lloydminster—Three months hoist.

An Act to amend the Criminal Code. Reported against.

An Act to amend the Industrial Disputes Act, 1907. (Commons declined to accept Senate amendments).

In conclusion, I cannot see how there can be any logical reason for maintaining a second chamber to nullify the wishes of the Canadian people as expressed through men whom they have sent to parliament to put their wishes into effect. It is illogical, and any reforms we may advocate and try to bring into effect will only result in further

dissatisfaction so long as the Senate is constituted as it is. I believe the time must come when, if democracy is to prevail, you must trust the people to legislate. It is the only wise thing to do, and if you say the Canadian people are not intelligent enough or are not educated enough to say what they want, then the quicker we get down and demand that they become educated, and the sooner we admit no one into this country who is not intelligent, the quicker we shall see the wishes of the people expressed in legislation that will be for the good of the whole country.

Mr. ARTHUR DENIS (St. Denis) (Translation): Mr. Speaker, the question at present under consideration is most worthy of our attention. For a number of years past the question of Senate reform has been discussed, however, up to now nothing has been done to reform this institution which dates back to 1867, year of the Confederation.

The present government has understood and is fully aware that nothing can be done without first consulting the provinces which are contracting parties to the British North America Act. Therefore, nothing can be accomplished without their consent. This is why the Speech from the Throne mentions that the House will in the course of this session be called upon to sanction the meeting of a conference between the Dominion and provincial governments in order to consider the opportunity of amending the constitution of the Senate. Without considering the chances of success of such a conference, I think, Mr. Speaker, it is the only consistent course for us to follow. I shall not enter into the arguments for and against the project of the reform of the Senate which have been presented to this House, but I shall take the liberty of briefly expressing my personal views which are shared by a very large majority of my electors as well as those of my province. These views are that we should not interfere with the confederation pact and, in particular, the constitution of the Senate that we hold as the guardian of our rights.

I shall, therefore, for the above reasons vote for the subamendment, against the amendment and resolution.

The intention of the government is so clearly expressed in the Speech from the Throne that it seems to me that it should have been understood and the resolution should not have given rise to such a debate in the House. True, such a subject affords a splendid opportunity to some of our able debaters, but has very little economic interest for the country at large.

Mr. JOHN EVANS (Saskatoon): In the Senate as at present constituted there are 24 members representing Ontario, 24 representing Quebec, 10 representing New Brunswick, 10 representing Nova Scotia, 4 representing Prince Edward Island, and 6 each for the four western provinces, or 96 in all. Nine millions of Canadians have the same number of senators as one hundred and ten millions of Americans. The members of our Senate are selected by the government of Canada really as a reward for partisan services; they are not elected at all by the provinces they purport to represent. And furthermore—

Mr. MARTELL: What better services could a man be appointed for than for partisan services in respect of either of the old political parties, especially when they have the endorsation of their constituencies?

Mr. EVANS: If the hon. gentleman will keep his seat and pay attention I think I will answer every question he may put. I repeat, all our senators are selected by the government of Canada as a reward for partisan services, and not at all by the provinces they purport to represent. Furthermore appointees must be acceptable to members of the government representing Ontario and Quebec which provinces to-day hold half the veto power of the whole Dominion. The senators are all appointed for life. True they may resign but this is not very likely. The purpose of the Senate was primarily to protect the weaker provinces by preventing hasty legislation, and to temper the national action with national caution. That it has failed in this purpose is seen in the fact that it has tempered national action with partisan caution. That the Senate has failed to protect the weaker provinces is seen in the fact that it is controlled by the two major provinces of the Dominion, Ontario and Quebec, by the method of appointment, and also by the excessive representation of these two provinces. The excessive representation of Ontario and Quebec has, up to this time, served no legitimate purpose and is useless for any other purpose than domination. The Senate has maintained its domination of Canada by Ontario and Quebec, in conjunction with the domination by these two provinces in the House of Commons since confederation. This domination has made these two old provinces—or the old union of Ontario and Quebec—think consciously and sub-consciously of Canada in terms of two provinces only. It has really prevented these provinces from realizing the viewpoint of the other provinces. It has made them incapable of taking an ocean to ocean viewpoint of this Dominion, it has

imbued them with an unwillingness to conciliate and compromise, and they are ever ready to use their power to dominate. These evidences of political unfitness are specially characteristic of the citizens of Montreal and Toronto, and the effect this has had upon the policies of Canada is that it has made them sectional rather than national. It has evolved a national policy based on the establishment of an industrial area within Ontario and Quebec, unique among industrial areas in that it is not founded on iron, or steel, or coal, it has imposed tariff restrictions and custom regulations on the whole of Canada for its own benefit, almostly exclusively for the advantage of this one industrial area. It has imposed or prompted the imposition of transportation rates both by rail and water, rates well calculated to prevent the establishment of industrial areas in other parts of the Dominion where coal and iron are abundant. It has evolved a domestic policy based on the appropriation of the public domain of the unborn provinces, and which has resulted in the disposition of very large areas of this public domain as public lands for Dominion purposes on the false assumption that these western areas were purchased and annexed by the Dominion instead of being admitted into the union of Canadian provinces. I refer to Rupert's Land and the Northwest Territory. In pursuance of that domestic policy the balance of confederation has been disturbed by increasing the area of the two major provinces out of all proportion, and has delivered to them for their sole use and benefit the public domain within the areas included by the extension of their boundaries.

It twice goaded the native inhabitants of Rupert's Land into rebellion as a protest against domination; and by persistent disallowance of provincial railway charters and prevention of railway competition all but precipitated an armed conflict at Fort Whyte in Manitoba in the early eighties. From the Atlantic to the Pacific disunion has resulted from the domestic policy of subordinating all other interests to those of the dominating provinces, a policy which has so recently found aggravating expression in preventing extension of branch lines of the Canadian National railway to productive areas lacking transportation; and in preventing competitive transportation routes by way of the Panama canal and Hudson bay.

What is the remedy? Real Senate reform: the replacement of the present Senate by one in which every province, large or small, will be represented on the floor of the Senate by the same number of senators, preferably not more than five or six for each province. This is no new idea. It has been the basis of representation in the Senate of the United States since 1789. It is the basis of Senate representation in Australia and South Africa except as to representation of the natives in South Africa. It is the system adopted by all or nearly all nations having federal government except our own, and it is enunciated and but partially applied in our constitution. Sir Wilfred Laurier suggested this reform in the parliamentary sessions of 1906, 1908 and 1909. On both occasions he was discussing as premier, certain resolutions before the House of Commons relating to Senate abolition and Senate reform. In 1906 this great statesman said, among other things:

> A second chamber seems to me absolutely necessary for two reasons. It is supposed to be a check on hasty legislation, but one consideration which to my mind is absolutely conclusive and paramount is that under our system, composed of federal units, a second chamber is an absolutely necessary safeguard against a possible invasion of the rights of the smaller provinces. But if we are to have reform, I would not be averse to adopting the system of our neighbours and have each province represented by an equal number of members, whether that province be large or small.

In the session of 1907-08 Sir Wilfrid Laurier is reported by Hansard, page 1570, as having said:

> In the United States Senate, the state of New York has two members, and the state of Rhode Island has also two members, so that while in the House of Representatives each state speaks according to the numerical strength of its population—

Thirty-six against two.

—in the Senate each state has an equal voice.

He further states:

> If I had to offer a reform it would be that all the provinces should be represented by an equal number of senators. There are nine provinces, and if each province were represented by, let us say six senators, that would give us a senate of fifty-four members, which would be a pretty strong body, a body sufficiently large and not cumbersome.

He further said:

> I would like to ask the House to consider this proposition: that the number of senators ought to be limited to a fixed number, and that each province should be represented in the Senate by an equal number of senators. I mentioned six, but that is arbitrary; it may be five or it may be seven, or it may be eight, or it may be ten; I do not care which for the present moment. But what I would insist on is that each province should be represented by an equal number of senators.

He said further:

> Beyond this and the suggestion that the appointment should not be for life but for a limited period I would not be prepared to go.

That Sir Wilfrid did not go the length we thought he was prepared to go in Senate re-

form is due to the fact that it would have involved a change conferring on the provinces that right to equal Senate representation for which they had not asked, but for which they have a perfect right to ask. Canada is a federal union of nine provinces, legalized by the British North America Act of 1867. The object of the act was neither to weld the provinces into one nor to subordinate provincial governments to a central authority. It was to create a federal government in which all should be represented, such government to be entrusted with the exclusive administration of affairs within its own jurisdiction. The provinces were to have a common interest, each retaining its independence and autonomy, and these independent autonomous provinces have a right to seek changes in the constitution of that branch of the Parliament of Canada composed exclusively of persons appointed to represent them. Amendments have been made to the British North America Act on the address of the Dominion parliament without the formally expressed consent of the provinces or even of a majority of them. One of these amendments violated a fundamental provision of the federation compact, upon which the British North America Act is based, namely that providing for representation by population in the House of Commons. During the war the Conservative government did secure such an amendment without the formally expressed consent of the provinces. This establishes a precedent that amendments may be made without the formally expressed consent of any of the provinces. It also establishes a precedent that fundamental provisions of the confederation compact may be violated on motion of a parliament of Canada willing to be guilty of a breach of faith; provided the governments of the provinces again wilfully or negligently fail to protest. But that does not preclude their formally expressing consent or protest. In respect of any constitutional amendment not involving a change in any of the fundamental provisions of the confederation compact, an address from a majority of the provinces asking for such change would weigh; but if a fundamental provision of that compact were involved, addresses from all the provinces would be necessary, or at least the protest of any province should be sufficient to prevent the amendment. By a fundamental provision of the confederation compact I mean that the union of the provinces was voluntary. Those provinces who did not express a desire to be federally united into one dominion were not included until they expressed that desire. Newfoundland is not yet included. Fundamental provisions are those, the inclusion of which in the compact was necessary to evoke a desire in any one or more provinces to be federally united with the others. That there should be a Senate was a fundamental provision of the confederation compact. Unanimous consent is necessary to its abolition.

The preponderant representation of Ontario and Quebec in the House of Commons would perpetuate their domination of Canada and make real national union forever impossible. The procedure necessary to reform the Senate requires addresses to the Imperial parliament from the House of Commons and from a majority of the provincial legislative assemblies, all of which being elective have an inherent right to speak for the people and provinces they represent. No address to the Senate is necessary. They being non-elective the Senate has no inherent right to speak for either the provinces as provinces nor for the citizens of Canada as citizens of Canada. It has a right to address the Imperial parliament independently of the House of Commons even as the British House of Commons and the House of Lords have from time to time addressed His Majesty quite independently of each other. After all the Senate is a part of the Parliament of Canada. As such it has had delegated to it by the British North America Act power to do certain legislative acts, but delegated powers must be construed strictly and addressing the Imperial parliament either in prayer or protest is not a legislative act. Anyone may do it. Amendments to the British North America Act are not amendments to an act of the Parliament of Canada where the consent of the Senate is necessary.

The constitution of Canada is the legal expression of the will of its people as to their machinery of government and its operation, and to allege that the consent of an irresponsible body in no sense representative is necessary to their deposition is to allege that constitutional change cannot be made constitutionally should the people of Canada so will. The fact that they have been appointed for life does not alter the right of the people to change their tenure of office. The tenure of office of other servants of Canada has been shortened, ostensibly in the public interest with the tacit approval of the Senate, and a precedent well established. Consent of the Senate is not necessary. The Imperial parliament will follow its time-honoured policy of bestowing on the dominions, whose equal status it acknowledges, all the powers they ask for. Failure to recognize the expressed will of the people of Canada as to its machinery of government, or an attempt to

make legalization conditional on the continuance of the present Senate in office, would raise a much larger issue than that of Senate reform. When Canada sees fit to cease expending any portion of its revenue in payment of sessional indemnities to appointed senators no British parliament will intervene. Constitutional fictions to the contrary notwithstanding, the fact is that the Briton abroad is not in Canada a subject of the Briton at home. The senators vigorously contend that the Senate cannot be reformed without their consent, but in doing so they are alleging that the Senate cannot be reformed except by revolution.

The reformed Senate should be chosen by proportional representation for fixed terms, not subject to dissolution, with the whole province as the constituency. They should be elected for some fixed period, not less than seven and not more than ten years. Why proportional representation? Proportional representation ensures the representation of minorities, and a Senate so elected will be more considerate of the rights of minorities than one elected by majority vote in single constituencies. It is desirable that it should be, and proportional representation will ensure it. Should each province elect six senators any minority numbering one-sixth of the population would be sure of representation. If partisanship be discriminated against by making senators ineligible for cabinet positions, election by proportional representation should fill the Senate with well assorted senators specially qualified to temper national action with national caution and to conciliate the conflicting interests of the provinces. The very existence of a real federal Senate would itself obviate the need for much conciliation and compromise.

Unlike the House of Commons the votes and proceedings of a real federal Senate will not be an accurate measure of its functioning. Sponsors of bills will inevitably consider before introducing them, their chances to pass the Senate on their merits.

Other unnamed "important particulars" are to be submitted to the conference. The omission from the British North America Act, of categorical mention of those provisions of the act which were fundamental to the confederation compact, should be supplied as one of the next amendments. So soon as, but not before, a Privy Council decision has determined whether the public domain in the three prairie provinces is vested in the crown in the right of the provinces or in the right of the Dominion; so soon as a real federal Senate is established, and provisions have been added to the British North America Act specifying what provisions of our constitution require unanimous consent for their amendment; and so soon as the act shall have had its deadwood eliminated and its provisions consolidated, provision should be made for the future amendment of our constitution. This must be made subject to the specified fundamental conditions of the confederation compact, but not before the aforesaid conditions shall have been fulfilled. Those provinces whose minority rights and privileges are incorporated in the British North America Act very naturally require assurance that these rights and privileges shall not be abrogated by a parliamentary majority in Canada. The underprivileged provinces may very properly demand that, before Canada is empowered to amend her own constitution, there shall be no overprivileged and no underprivileged provinces in Canada. The prairie provinces which believe and know that their public domain has been illegally appropriated by the Dominion, naturally do not intend to consent to Canada's being empowered to amend her own constitution until it shall have become impossible for a Canadian parliamentary majority to confirm Canada's spoliation of the public domain within their respective borders. Unless and until these matters are settled, the conferring on Canada of power to amend her own constitution, will only jeopardize that national unity so necessary to the progress and prosperity of Canada. We must do first things first.

What then is the conclusion of the whole matter? That the British North America Act should be amended and consolidated, and that as amended and consolidated it should provide a categorical declaration as to those fundamental provisions of the act which shall not be amendable without the unanimous consent of the provinces. We need real Senate reform, and amendment thereafter by the Parliament of Canada, and for deferring the coming into force of the provision empowering the Dominion parliament to amend the constitution until the respective rights of the Crown, in the right of the provinces, and in the right of the Dominion, to the public domain of the prairie provinces, shall have been determined by the legal tribunal of last resort.

Mr. W. F. CARROLL (Cape Breton South and Richmond): The question of Senate reform is about as old as confederation. There have been in this country very many people, among them some very eminent statesmen, who during their public and political careers have stood for Senate reform, and the advocates of this reform have been agitating from 1861 up to the present time. But so

far there has been no reform of the Senate, and in my opinion it will be some years yet before there will be any such reform of great importance. And that is due entirely to our constitution as it stands. A great many objections are offered to the present constitution of the Senate. Some of them may be well founded while others are not, but the principal objection as I see it is that the Senate is not in touch with the public pulse, it is not in touch with public opinion, and therefore its decisions on legislation received from the House of Commons is not at all times according to public opinion. Well, Mr. Speaker, I am one of those who think that sometimes even public opinion is astray, and that although a popular outburst may for the time being carry the Commons off its feet, that opinion may not be founded on mature consideration and cool judgment of the question at issue.

I have heard it said to-day by hon. gentlemen, who no doubt have given this question serious consideration, that the Senate should be abolished, indeed, that it should never have been in existence. Well, I can point to two decisions of the Senate which, I think, have fully justified its creation. May I refer to the gold rush to the Yukon? At that time the public were carried off their feet, they were amazed at the marvellous gold discoveries in that great northern country, but they did not consider for a moment how long those discoveries were going to continue. Insistent demands were made upon the Liberal government of the day for the building of a railway into the Yukon at a cost of millions of dollars, and public opinion was solidly behind those demands. The great statesman, Sir Wilfrid Laurier, was Prime Minister, and a measure for the building of the railway passed this House with very few dissenting votes; but fortunately the Senate killed it. I think by that act alone the Senate fully justified its existence, for undoubtedly by the course they took they demonstrated that they had greater vision than those who at that time thought they were representing public opinion. On that occasion we had a Liberal House of Commons and a Conservative Senate. I do not say that the Senate killed the Yukon railway bill because it came from a Liberal government, for this would be tantamount to saying that any bill originating in this House might be thrown out by the Senate to gain a political advantage. That is not the history of the Senate in its attitude towards legislation initiated in this chamber. Again, in 1913-14 the Senate—then Liberal—threw out a measure introduced by the Conservative government. I happened to be a member of this House in those days. I presume, Mr. Speaker, that never in the history of this parliament was there a greater debate than that which became known as the naval debate, when politics was at fever heat. The Conservative government took the position that this country should make a monetary contribution to augment the Imperial navy; the opposition took the stand that we could best help the imperial authorities by organizing a Canadian navy. The bill passed the House of Commons, but the Senate killed it. There again I say the Senate justified its existence.

The speech of my hon. friend from West Calgary (Mr. Shaw) was a very fair presentation of the constitutional position respecting the Senate; but I do not agree with him that the Senate is undemocratic. The ideals of democracy, of course, have never been realized in this or any other country; but nowhere in the wide world has democracy achieved a greater practical success than in the British Empire. In this Dominion we have democracy in its truest form, and I am prepared to stand for a constitution which has weathered the storms of political crises and reached its present well-ordered development—the constitution of Great Britain. Some of the greatest statesmen of the world have helped in the development of that constitution which has made England supreme commercially and politically throughout the entire world. If democracy has been a failure, it has been so in those countries which did not have such safeguards as the House of Lords of England and the Senate of Canada. Certain hon. gentlemen referred to some of the European states before the war and to some of those created after the war where they had no second chambers. Well, when it comes to making a choice between the constitution of some of the European countries with unspeakable names and the constitution of Canada, I am for our constitution.

Some speakers on the other side, my Progressive friends I think, urged that the Senate does not feel the public pulse, that it is out of touch with public opinion. Are we so childish in this House, Sir, as to think that by our speeches and our votes we are always truly representing public opinion? For example, next year, the year after, or ten years hence, a minority in this House may actually be representing the majority of the people. Can it be said that under those circumstances the House of Commons is responsive to public opinion? No. I venture the statement that very often in this House we vote against what we well know to be public opinion in

order to satisfy our own conscience—those of us who have any; I hope we all have. After all, public opinion at times is just as mistaken as anything else in this world. I venture to say that on some of the questions that have been debated and voted decided in this House for the past twenty or twenty-five years, very often a private ballot would have resulted in those questions being negatived which were answered in the affirmative. I think that if it had been possible to have had a private ballot on some of the public questions which have been debated and voted on in this House, and which appeared to have public opinion behind them, it would have been a revelation—perhaps not so much to this House as to the country.

Mr. MACLEAN (York): Would that be responsible government?

Mr. CARROLL: Oh, responsible government may be a myth. There are different ways of saying what is responsible government. Responsible government has been employed in the past in such a way as to make public opinion. We have responsible government, I say, in this country and in Great Britain on nearly as well developed a basis as we can get it; but like all other earthly institutions, governments—democratic, monarchical, communist or otherwise—make mistakes. If I were to point to the country which made greater progress in a short time than any other I would name the country which for four hundred years was ruled entirely by a senate. Rome became mistress of the world under a senate. She did have the happy faculty, of course, of getting the very best men—statesmen, generals, ambassadors, consular agents; these were the people who made the laws and guided the destinies of Rome. From a mere municipality she grew to be mistress of the world; there was really no civilization outside of Rome. So much for what a senate has done for one country.

Mr. IRVINE: Does my hon. friend mean to say that Rome fell under a senate?

Mr. CARROLL: No; I said Rome became great under a senate. She might have become great under any other form of government, but I could cite instances to my hon. friend of countries which have fallen flatter than Rome, and that under a supposedly ideal democracy.

Mr. IRVINE: Does my hon. friend mean to say we have irresponsible government now?

Mr. CARROLL: I know some people who are trying to carry on the government of this country—not perhaps, in the inner circles—who are not very responsible.

Mr. IRVINE: Is the hon. member speaking personally?

Mr. CARROLL: My hon. friend may take it to himself if he wishes; or I may take it to myself. I know that my hon. friend has given votes in this House which he would not have given if he had his finger on the pulse of public opinion and was guided by its indications. So have I, and so, I daresay, has every man who has ever held a seat in this House.

Mr. IRVINE: I will have to protest against that. The hon. member may confess his own faults, but he must not confess mine. I will do that for myself.

Mr. CARROLL: My life, I am afraid, would be too short to admit my undertaking that stupendous task.

Now, one of the cure-alls for the defects of the Senate is alleged to be the appointment of our senators by the provincial legislatures. Well, from what body would they appoint them? What would prevent our legislatures from appointing partisans to the Senate? There is no provincial government that is not more or less partisan, and if a vacancy occurred in the Senate the provincial government would appoint, I have no doubt, a partisan supporter. Would the mere fact that the government or the legislature of a province appointed a senator make him non-partisan? Would it raise him above the ordinary man we find in the Senate to-day? I do not see how it could. Under our present system senators are appointed by the Governor in Council, and the appointment must be made from the province where the vacancy occurs. It is part of our constitution that the senator must have his residence in the province he represents. By what manipulation of imagination can one conclude that a man would make a better senator from Ontario, from Quebec or from any other province simply because he was appointed by the provincial legislature or the provincial government rather than by the Governor-General-in-Council?

Another reason offered by an hon. member for the abolition of the Senate is that the Senate was designed for the protection of minorities, and he says he has failed in his reading to come across any case in which the interests of the minorities in this country were protected by that body. Well, I have not gone into that question, but I have faith enough in humanity, faith enough in even

the present Senate, faith enough in this country from having read its history, political and otherwise, to come to the conclusion that we have not had and will not have a Senate which would deliberately attempt to dominate minorities in such a way to as take away from them any of their rights.

Another hon. gentleman contended that provincial rights had not been properly adjusted and protected, and in this respect he attributed fault to the Senate. If my hearing served me rightly, I think he urged that the western provinces—and I am not entering upon a discussion of this question; I will leave it to the western members to discuss it and decide it for themselves—would have had control of their natural resources were it not for the Senate. I may have misunderstood the hon. member, but I do not know that when the provinces were carved in the great west any senate did anything to prevent the people of those provinces from having their natural resources.

Mr. LEWIS: It was I who made that suggestion, but not in the way the hon. member has put it. The argument was raised that the Senate had been designed to safeguard the interests of the provinces, and I said that they had failed to safeguard those interests when the bill creating the provinces went through.

Mr. CARROLL: Well, by twice as much did the people who represented western public opinion at that time fail to respond to the needs of the provinces which were being formed. Moreover, there were a large number of western people in this House at that time. But there were no western provinces until provision for them was made, therefore there were no provincial rights to protect, speaking of provincial rights in the sense of those supposed to be protected under the terms of the British North America Act.

Mr. LEWIS: Was it not necessary to change the British North America Act in order to withhold from the newly formed western provinces the right to control their own natural resources?

Mr. CARROLL: If that is so I would point it out to those who are so very anxious to make it easy to amend the British America Act.

One of the hon. members who spoke on this question urged that there was too large a representation in the Senate, and I think the same hon. member went on to say that all provinces should be equally represented in that body. I do not argue against that principle, but I would point out that there are insur-

mountable difficulties in the way of its adoption. We are told on the best of legal authority that before we can amend the British North America Act we must have the consent of all the provinces. Do you think that Quebec or Ontario, with their larger populations, would gracefully submit to Prince Edward Island having the same number of representatives in the Senate as they did?

Mr. LEWIS: I certainly do not, but just the same I think Nova Scotia would be in a much better position to-day if she had equal representation in the Senate.

Mr. CARROLL: She might have a preponderance of right on her side. I am not saying anything with respect to Nova Scotia at the moment, but I simply warn my western friends of this: It may not come in our generation, but those of us who know anything about the west will have no hesitation in coming to the conclusion that before very many decades the bulk of our population will be west of lake Superior, and then hon. gentlemen from the west who to-day say they have not sufficient representation in the Senate may have another song to sing.

Mr. LEWIS: By that time I hope the Senate will be abolished.

Mr. CARROLL: My hon. friend has made several assertions. First, he said he wanted the Senate abolished; then he said it could not be abolished in view of a learned opinion given by the hon. member of Hants (Mr. Martell). Then he went on to tell us how the Senate might be reformed in this, that and the other respect. Suppose the hon. gentlemen who have spoken in this debate to-day from the provinces of Saskatchewan, Alberta, and Manitoba,—if any have spoken from Manitoba—suppose they represented the governments of Saskatchewan and Alberta and Manitoba; what a nice fix we would be in then! They would undertake to fix the constitution of the Senate, to reform it and do other things. Would there be any unity amongst them? I am simply pointing out the difficulties we will have under our constitution in amending the Senate in any particular.

The mover of this resolution, who has given the subject serious study and is a good sound lawyer, has made a splendid presentation of his case. He did what every man should do when he asks that a change in our constitution be made; he indicated what he thought that change should be; but hon. gentlemen who followed him, the hon. member for Swift Current (Mr. Lewis), the hon. member for Saskatoon (Mr. Evans), and other hon. gentlemen have not followed him in that

respect. It simply goes to show that the way set out in the Speech from the Throne is the only way by which we can arrive at any conclusion as to what amendments the people as a whole or the provinces as a whole are prepared to make. There is very little use in our discussing the question in this House in an academic way. We are going to arrive at no unanimous conclusion because the reforms which we have in our minds are so numerous and so varied that they will not be accepted by one-third of the other members of this House. I believe that every member of this House has some ideal in his mind. Ideals are splendid things to have, but they are difficult to bring into effect. I do not think you could get ten members of this House who would sit down and come to a unanimous conclusion as to what reforms of the Senate they would undertake in order to improve it. That is going to be just our difficulty when we get the representatives of all the provinces together. We talk of public opinion, but whom are we going to get from the provinces to represent public opinion? Does the government of a province represent public opinion in that province? Maybe so, maybe not. Does a provincial government which got its mandate four or five years ago on the question of, say, prohibition—I mention that just for the sake of illustration, I am not sneering at it in any way—would that government represent public opinion in its province to-day on the question of reforming the Senate? This question is far more serious I believe than any person who has not given it serious thought conceives. Let us take the province of Nova Scotia, for example. Supppose there was a conference held at Ottawa to-morrow on the question of Senate reform. The government of Nova Scotia has been in power for five years the next 10th of July. Will anyone say that the government of Nova Scotia could come up here and would fairly represent the people of that province on Senate reform when they say: This is what we think should be done. They might, and they might not, be representing public opinion in that province; I would rather think they would not be representing it, after being four or five years in power without making an appeal to the people of that province.

My own idea is that if we are going to get any Senate reform, we must have a definite and concrete proposal to place before the people of the various provinces, and I think that if we will attempt to live up to our ideals of what a democracy should be, the question should be presented to the people by means of a plebiscite. I would, as a matter of fact, ask the Dominion and provincial governments to set aside a sum of money for the purpose of placing before the people of this country from the constituency of Cape Breton South all the way across the country to Vancouver the pros and cons of the definite and concrete proposal which should be submitted to them. In that way, and in that way only, can you ascertain what public opinion is in this country on the question of Senate reform.

According to the Speech from the Throne, perhaps next May or perhaps the middle of June, there will be a conference of provincial premiers, probably accompanied by their provincial secretaries and attorneys general, and possibly by their whole cabinets, held here at Ottawa. They may decide on some concrete proposition. But will any gentleman in this House dare to say that in that they will be representing public opinion in this country? I say no, decidedly not, for the very good reason that they do not know what public opinion is on this question, and therefore cannot represent it, even though they might stumble into the way of doing what the people think should be done.

Mr. MARTELL: Supposing the question was submitted in a plebiscite, and one province voted in favour of the retention of the Senate and the others against; what would be the outcome?

Mr. CARROLL: The outcome would be, if my hon. friend is right in the law he gave us in his address the other day, that the Parliament of Great Britain would not grant us a change in our constitution by which we could make effective the reform that the majority of the provinces had voted for. That is why I say we are going to be up against a proposition that is far more difficult, far more momentous than we think, perhaps even than the government itself thinks, though I presume they have given this matter serious study.

Mr. WOODSWORTH: If the question were submitted to the people in a plebiscite, and the people of a province should not vote in harmony with the position taken by the government of that province, where would we be then?

Mr. CARROLL: The hon. member for Hants asked me the same question in a different way. I say that the Imperial parliament would not consent to the amending of our constitution if any one of the provinces said no to the concrete proposal put before it.

Mr. WOODSWORTH: I think the hon. gentleman hardly caught my question. I said

that supposing within the bounds of one province, in carrying out the plebiscite he suggests, the people should vote in contradiction to the expressed will of the government of that province; which should prevail, the plebiscite or the will of the government?

Mr. CARROLL: If a provincial government consented to the plebiscite and there was a strong majority one way or the other I would say that that government would not dare to enter the conference and say that notwithstanding the popular vote it would take another course.

Mr. CALDWELL: How about the temperance act in Ontario?

Mr. CARROLL: I have heard that name before.

Mr. GRAHAM: We can compromise on 4.4.

Mr. CARROLL: I am not going to discuss the Ontario Temperance Act in connection with our constitution.

Mr. CALDWELL: I was referring to the plebiscite there, and the action of the government, not to the merits of the Ontario Temperance Act.

Mr. CARROLL: That is a proper question but I am not going to say anything about it.

Mr. MARTELL: That has nothing to do with amending the British North America Act.

Mr. CARROLL: If the Premier of Ontario did wrong he will be punished. I am not saying that he did wrong. I think, after reading the speech which he made in the legislature of Ontario the other day, that he is pretty nearly right. However I am not to be led away into a discussion on a question of that kind. I am discussing a concrete proposition as to the reform of the Senate. If we reform the Senate we must amend our constitution, and I am pointing out some obstacles in the way of that amendment.

Mr. MACLEAN (York): Would the hon. gentleman have any Senate reform?

Mr. CARROLL: I would not have very much. I was going to take that point up later. I was dealing with propositions which have emanated from other hon. members, and I was arguing the point that the only way in which we can get the proper pulse of the people of this country on the reform of the Senate, or any other change in our constitution, is by a plebiscite, in view of the fact that we may have governments that should have gone to the country long ago and do not at present represent popular opinion. I am not mentioning any particular government. I referred to the government of Nova Scotia because it has been the longest in power. I hope it represents public opinion in that province, but it cannot say that it represents public opinion on a question which has never been submitted to the electors of the province, and if we are going to live in accordance with democratic institutions in Canada such a question as this should be submitted to the people.

I was asked the question what amendments I would suggest, and I replied very few. I am not one of those who think that because the Senate should, forsooth, use its constitutional veto and turn down legislation which has been sent to it by this House, we should therefore reform the upper chamber. I think the members of that body have as much brains, as much judgment, and as much good sense as the members of this House, and they can focus their views on any particular question with just as much acuteness and intelligence as we can. I have been at some of the Senate committee meetings occasionally and have been impressed by that fact. I say this because the Senate is spoken of sometimes as a body of old, worn out politicians. I venture that statement and I say it boldly—and it is no insult to the members of the Commons to make the statement. In any event such a statement does not justify making constitutional changes in the Senate.

Mr. MARTELL: Is my hon. friend going to the Senate?

Mr. CARROLL: I am afraid that I will never have the financial qualifications to get into the Senate. If there was a Senate vacancy to-day and the Prime Minister and his government should come to me at midnight and ask me to take a seat in the upper chamber unfortunately I could not do so, because I have not the necessary financial qualifications; I have too many mortgages attached to my little home. Therefore I am not looking for a Senate position for the next few years to come. However, that is by the way.

Some hon. members say we should reform the Senate because it is partisan. Do the gentlemen who advance that statement consider for a moment how they are going to render the Senate non-partisan? In British countries we have had partisan government for generation on generation, and I say on the whole we have been fairly well governed. As I said a few moments ago the British Empire has progressed under partisan government through the ages, and is to-day as great in her strength and glory as she ever was. The United States has progressed under par-

tisan government; so have all Anglo Saxon countries. They have all made mistakes but who in this world does not err. Point me out a man who has reached maturity and who has never made any mistakes in his life, and I will show you an individual who has never accomplished anything. There is only one way to avoid criticism, it is to do nothing, to say nothing and to be nothing. Criticism is indispensable. Governments, at times, should be criticized. It is a good thing to criticize, but when an hon. member says the Senate is partisan how is he going to make it otherwise? Would the Senate be rendered less partisan by appointing a few of the followers of my hon. friend from Brandon (Mr. Forke)? They would be Progressive partisans. Would the Senate be made less partisan by appointing followers of the gentleman who leads the labour forces of this country? I presume they would be partisan also. I have only to point out to those who say we should make the Senate non-partisan that there are partisans in the upper chamber to-day and will be for many generations in the future. To have it otherwise as things are would be an impossibility. I am not blaming our farmer friends for being partisan; they must be such, their very constitution requires them to be partisan.

Mr. MARTELL: Narrow-minded partisans.

Mr. CARROLL: I do not say they are narrow-minded partisans.

Mr. MARTELL: Well, of one class.

Mr. CARROLL: I do not say they are of one class either. I affirm that they are just as broad-minded as the Liberals or Conservatives in this House. Still they are partisan, the very nature of the constitution to which they give their adherence, makes them partisan; and if we to-day put six representatives from each of the prairie provinces in the Senate they would be Progressive partisans, and would look out, perhaps, more for their own friends than they would for persons of the Conservative or Liberal stripe of politics. I repeat I should like to get some concrete illustration of how hon. gentlemen are going to reform the Senate so as to make it non-partisan.

Miss MACPHAIL: Abolish it.

Mr. CARROLL: I am against the abolition of the Senate.

Miss MACPHAIL: The hon. gentleman asked for our opinion.

Mr. CARROLL: I am not finding fault with the hon. member. However, I am against the abolition of the upper chamber upon what appear to me to be very strong and sound grounds. The abolition of the Senate would perhaps result in greater difficulty than would be the case if the upper house were simply reformed. Another hon. gentleman states that we should abolish the Senate because it does not represent the national life of this country. That is a question which I have not studied. I presume the Senate should represent all phases of our national life—commercial, political, religious, and all the rest. However, I do not know what the present complexion of the Senate is in these respects, I have never gone into that phase of the matter. If such is the case it is not the fault of the constitution of the Senate but rather the fault of the persons who made the appointments to the Senate; and if the appointments were to be made in some other way I do not see that it would mend the situation in the least.

I would not have an elective Senate because if its members are partisans now they would then be twice as partisan. We have too many elections in this country at the present time under our present system, and we do not want to have any more.

Some hon. MEMBERS: Oh, oh.

Mr. CARROLL: Some hon. members laugh, but I say that we are cursed with too many elections, civic, provincial and federal. I would not have an elective Senate; I would not amend the constitution from that viewpoint. I would have the Senate appointed as at present. I am now coming to the question of my hon. friend from South York (Mr. Maclean): Would I reform the Senate? Very little. I am no prophet, but I want to make a prophecy here to-night, and it is this: we will see no reform in the constitution of the Senate of this country for many years. We may have our conferences with provincial premiers and attorneys general. I am not criticizing the government for calling these conferences, because that is the first tangible step which has ever been taken in this country to arrive at a realization of what should be done towards the reform of the Senate. I prophesy to-night—it does not cost much—that when that conference meets here there will not be one concrete proposition on which the representatives of all the provinces of Canada will agree, and that will cause the breaking up of the conference.

Mr. MACLEAN (York): And of the government perhaps.

Mr. CARROLL: No. I do not think the government is bound by the result of a conference. I think all the government has promised to do or is bound to do, after the Speech from the Throne, is to call a conference, and I think that is all that will be done. I hear applause from the other side of the House, but I would rather have it come from this side. When I say that is all they will do, I mean that is all they are capable of doing. I hear loud applause. What little things my friends will applaud. They will not give me a chance to finish a sentence. That is all they can do or are capable of doing, in so far as this conference is concerned.

Mr. HOEY: Why not have the conference bring down its proposal first and have that constitute a basis of negotiation?

Mr. CARROLL: I would say the government has already brought down its proposals, if we consider what the Prime Minister said in the closing days of last session.

Mr. HOEY: That was a year ago.

Mr. CARROLL: Yes. Does my hon. friend suggest that the Prime Minister should undertake to amend the constitution during vacation.

Mr. MEIGHEN: He did undertake it.

Mr. CARROLL: I do not think my hon. friend would consider he was capable of doing that; and I think he is capable of doing almost anything.

Mr. MEIGHEN: I quite admit that he is capable of doing anything.

Mr. CARROLL: He cannot do anything that is impossible and to amend the constitution in vacation time is an impossibility.

Mr. MEIGHEN: It was not amending the constitution in vacation time that was suggested. What my hon. friend from Springfield (Mr. Hoey) suggested was that the undertaking given last session be made the subject of a government measure now for submission later at a conference. That seems a pretty good idea. What does the hon. member think of it?

Mr. CARROLL: My hon. friend has spent a long enough time in public life to know that that would be a clumsy way of doing business. It would be dictation to the provincial governments, and if there is anything the provincial governments resent, it is dictation from the federal government.

Mr. MEIGHEN: Is it any more than a declaration of policy, without any suggestion of conference?

[Mr. W. F. Maclean.]

Mr. CARROLL: The suggestion is that the conference should take place first. The first intimation given of the conference was in the Speech from the Throne.

Mr. MEIGHEN: No. When the bald announcement was made I asked the Prime Minister if he had considered the matter, and asked the provinces what their will was, and he made no reply; on the contrary he went through the western provinces and never mentioned the conference at all, but declared to the whole country that he was going to reform the Senate.

Mr. CARROLL: I know the Prime Minister loves the leader of the opposition very much, but he does not love him well enough to tell him six months ahead of time what the government policy is going to be.

Mr. MEIGHEN: I told him.

Mr. CARROLL: I doubt if he would follow the hon. gentleman's advice.

Mr. MEIGHEN: He has followed it—a year late.

Mr. CARROLL: That is the situation as I regard this matter. I believe there should be some suspensory power in the Senate. And why? Three, four, five or six bills are sent to the Senate in the dying days of parliament. They are thrown in there. They may have passed this House with little or no debate. They are sent over to the Senate, to be dealt with in one day, or perhaps two or three days. I think that is very unfair to the the Senate. I say that in a case of that kind the Senate should have what I would call a suspensory power, and should say to the Commons, "We do not know sufficient about this particular measure to say whether we will agree to it or not. We will suspend judgment for the present session of parliament and will take the matter up next year". If they do not deal with those bills the next year or the following year, say in two years, then I say there might be, in connection with that suspensory power, the right in the House of Commons to pass those bills, so long as they obtained the signature of the King's representative in this country. I think that is a fair proposition; it would be a different matter if some important question arose which should have full, free and fair discussion, and in regard to which the Senate was aware of all the intricacies and the pros and cons of the measure. In such a case I would say they should have the suspensory power. I can well understand why the Senate of this country would be loth—and we would all be loth—to vote on a subject without knowing anything about it.

I do not blame the Senate for their conduct in the past, because they refused to pass bills in the dyings days of the session when they could not give them fair consideration, nor will I criticize them adversely in the future for such conduct. Hon. gentlemen may tell me they have a right to remain here and give these measures consideration. Well, we know that some members in this House do not love them very much, and we know how very much less we would have loved them if, on the eighteenth day of July last, we were told by the Senate that they were going to remain in session another month to give further consideration to certain measures. I say the only solution is the suspensory power, coupled with the provision that there should be no return made of a bill suspended by the Senate unless they had taken some specific action on it, and if they failed for two years to take that specific action there should be some power in the House of Commons, with the signature of the Governor General, to make that bill law. That is as far as I would go in any reform as far as the Senate is concerned.

I have spoken a great deal longer than I intended to owing to a great many interruptions, for which I am not criticizing my hon. friends. I think the Senate as at present constituted is a very important part of our constitution, and in looking over the political history of this country, I do not know if there is any great reason for any reform of the Senate, either the one suggested or any other reform. I do not think they are made of the stuff which on all occasions would like to be opposed to public opinion in this country all the time.

I do not see why the House of Commons should assume an attitude of superiority and infallibility; why should we presume to say that we can never go wrong? Kings have been beheaded for having that obsession, and it is tantamount to taking up that position for this branch of parliament to say that, because it has passed a bill, in the belief that public opinion is behind it, it therefore follows that the Senate must be quite wrong if it takes a different view, and that in consequence the Senate should be reformed or put out of business or both. There is nothing faulty with the resolution of my hon. friend from West Calgary in so far as it asserts that steps should be taken to consider the reform of the Senate. Nor do I think that any hon. member in this House, whatever may be his opinion on the question of Senate reform, will vote against such a proposition. As to any amendment to the resolution, I must vote against the first one that has been proposed, inasmuch as it declares for the abolition of the Senate. The amendment states in effect that in the opinion of this House it is expedient that an address be presented to the King praying that the British North America Act be amended so as to provide that the Dominion of Canada,

> —should either have the power to make the Senate of Canada an elective body, or to abolish it, as might be decided by the people in a plebiscite vote to be taken at the next Dominion general election.

I am opposed to that because I am opposed to the abolition of the Senate, and I am opposed to an elective Senate for the reasons I have given. I shall therefore be obliged to vote against the amendment.

Mr. FINDLAY: Is the hon. member opposed to obeying the will of the people?

Mr. CARROLL: No; when the will of the people is right I always bow to it.

Mr. FINDLAY: Well, the amendment simply asks that the people be consulted in the matter.

Mr. CARROLL: I am afraid that they might go wrong in this instance and vote for the abolition of the Senate.

Mr. FINDLAY: Then the hon. member would not obey the people?

Mr CARROLL: This is one of the cases where I would think the popular will had gone astray. Hon. gentlemen should not forget that we are all part of what the hon. member is pleased to include in the term "popular will". Now, there is no popular proposal which has ever been before any government that has not had some opposition; there has never been any question that has come up in this country, never any proposal, except in trivial matters, which has not been opposed by some section or other of the country. And surely my hon. friend will concede to an opposition, even though it be in a marked minority, the right to consider its own opinions right. That is entirely a matter for the conference to consider. I shall vote for the amendment to the amendment because I think it is in keeping with the only course we can pursue to-day, either in the matter of amending the constitution or reforming the Senate, and that is the calling of a conference. I do not say that it will necessarily amount to very much, but I do think that the members of this House are desirous of ascertaining what is, not the public opinion but the sound public opinion in this country on our constitution so far as it relates to the Senate.

Mr. DONALD SUTHERLAND (South Oxford): It would be rather amusing to fol

low some of the arguments which have been advanced on this question if there were not other matters of very great public importance demanding the attention of parliament. We have heard a good deal during the present session about amending our constitution, and this talk is becoming so general that I do not feel like sitting in my place and allowing it to go unchallenged all the time. I question whether there has ever been a session of parliament during which so many hon. members have expressed dissatisfaction with the existing constitution as during the present session. I regret that this should be so. The constitution was framed by those who brought about confederation in Canada, at a very difficult period in the life of our country, and it seems to me that the mere fact that it has stood the test of time so far and so well is a great tribute to the wisdom and the foresight displayed by the Fathers of Confederation. I am inclined to think therefore that this passing wave of attack on the constitution will not amount to very much.

In the present instance I would point out how the viewpoint of some people changes according to the different positions in which they find themselves. It is apparently a very common and a favourite relaxation on the part of some when in opposition to attack the Senate and make every effort they can to concentrate the attention of the people to the institution, with a view to representing the constitution in this particular respect as being all wrong. I have heard this line of argument advanced quite often by gentlemen who were afterwards members of the upper chamber, and once they entered the sacred precincts of the Senate no more was heard of their objections to the constitution of that body as it stands.

Personally, I do not say that there are not times when the people have reason for finding some fault with the way in which the Senate is constituted; this has been the case in the past, and I suppose that occasions will arise in the future when the same thing may perhaps be felt. The method of appointment and the lack of care shown sometimes are doubtless responsible for this. I think that on the whole my hon. friend opposite (Mr. Carroll) has indicated that he does not attach very much importance to the paragraph in the Speech from the Throne relating to this question of Senate reform, nor to the resolution which was moved this afternoon by the hon. member for West Calgary (Mr. Shaw). And he does not anticipate that the government will take any action in the matter. So that the discussion is not going to bring about any very great results. I think myself that the resolution might very well have been ruled out of order by reason of the fact that it is beyond the jurisdiction of this House to deal with the matter therein suggested. But I am not going to argue that point.

The hon. member for Cape Breton South and Richmond, however, touched upon a matter which I do not feel like allowing to pass without some comment. When asked about his personal ambitions, and whether he had any inclination or desire to qualify for the Senate, he replied that he had not the necessary financial qualifications for a senatorship. Let me point out, he has the financial qualification to be elected as the representative of his constituency, and he has had those qualifications for quite a number of years. I have known the member for Cape Breton South and Richmond for a long time, and if senators are to be appointed from the different parties, I do not know of anyone that I would rather see in the Senate from the other side of the House than my hon. friend, and I am sure that he would render good service to the country in the upper chamber, for we all admire the frankness with which he discusses public questions in this House. But for the present at least I think he will render better service where he is.

Now, I happen to have on my desk a report of a committee of the Senate. I was looking at this when the member for Cape Breton South and Richmond spoke, and I had no intention of taking part in this debate had he not referred to the financial qualifications necessary for a seat in the upper house which this report refers to. It may be remembered that some years ago there was quite a scandal about the sale of senatorships, it being charged that a price was placed upon them. Some of you may not have remembered the circumstances as I have, for the reason that the member for the constituency which I now have the honour to represent was the minister who to a certain extent was implicated. An ex-member of parliament alleged that a demand had been made upon him for $10,000 for a seat in the Senate. This naturally caused a good deal of comment throughout the country and resulted in a special committee of the upper house holding an investigation, the charge being considered to be a serious reflection upon the members of the Senate. The investigation took place in 1901. I remember it very well because one of the parties implicated had also sent a letter which was read at the Liberal convention in my constituency. When the Liberal candidate was nominated,

in which he pointed out the reason why a certain candidate who was much talked of and was likely to be selected by the Liberals should not be given the nomination, simply because he had absolutely refused to contribute funds towards running the machine, and had stated he had no money to contribute for elections and consequently he was not deemed to be a desirable man even to receive a Liberal nomination. Such things have caused a good deal of discontent and suspicion among the people with regard to appointments to the upper chamber, but fortunately we have not had any such scandal for many years. I think I might very well read some of the evidence which was taken before the special committee of the Senate on that occasion. The party who made the charge was Mr. H. H. Cook at one time Liberal member for South Simcoe, I think. He was defeated in 1896 and felt himself entitled to a senatorship by reason of his party services. With respect to Mr. Kerr's appointment to the Senate, Mr. Cook referred to the agent who had approached him in the matter and who claimed he represented the government or Sir Richard Cartwright. He was asked to tell what took place between him and the agent. He answered:

The party wrote me a letter. I was away from home at the time. The letter was written stating—

The question was objected to.

Q. Just tell the the interview, what took place.

By the Hon. Mr. Dandurand:

Q. Could you fix the date?—A. No.

Q. Or about?—A. No, it was before this appointment was made, before Mr. Kerr was appointed. He came to my office and said that he had just a short time ago come from Ottawa, and he was instructed to ask me for $10,000 for a senatorship.

By Counsel for Mr. Cook:

Q. How did he greet you?—A. When he came into my office, from the corridor, from the hall, to my outer office, he passed through the outer office, and he said, "Good morning, Mr. Cook"—or rather, "Good morning Mr. Senator." I said, "Good morning." Then he walked in and closed the door behind him and said that he had returned from Ottawa, and was instructed to ask me for $10,000 for the appointment. He told me either—I have forgotten whether he said the government or Sir Richard Cartwright told him to come and see me, and I told him most emphatically that I would not give him $10,000, or the government, or Sir Richard Cartwright, or anyone else, for a senatorship. "Well," he stated, "if you don't give it to me you wont get the appointment."

And he did not.

"They are very desirous of giving it to you, and want to give it to you, but they wont give it to you unless you pay them $10,000. You are able to pay it, and they want the money for party purposes." That is about the gist of the conversation, and he went out of the office.

Now the evidence which Mr. Cook gave was substantiated by the evidence of Mr. Hieland Hancock. He was sworn and examined by Mr. Ritchie, counsel for the committee, as follows:

Q. You are bookkeeper for the Ontario Lumber Company?—A. Yes, sir.

Q. Of which Mr. Cook is president, I understand?—A. Yes.

Hon. Mr. Dandurand suggests that as this is a witness for the prosecution he should be examined by counsel for Mr. Cook. Mr. Ritchie, counsel for the committee, assents.

By Mr. Marsh, counsel for Mr. Cook:

Q. You remember the occasion of Mr. Preston visiting the office of Mr. Cook?—A. Yes, sir.

Q. Can you tell us about what time that was?—A. It was in the fall of 1898.

Q. Tell me what happened when he visited the office?—A. When he came into the office, as soon as he reached the door of Mr. Cook's room, he said, "Good morning, Mr. Senator."

Q. And then what happened?—A. Then he went in and closed the door.

Q. He went into Mr. Cook's private room then, and closed the door?—A. Yes.

Q. About how long were they together?—A. I should say about fifteen or twenty minutes, I would not be positive as to that.

Q. I presume you could not hear anything that took place while they were together?—A. No, sir.

Q. Then what next happened?—A. Mr. Cook and Mr. Preston came out, and Mr. Cook saw Mr. Preston to the outer door of the office.

Q. They came out of Mr. Cook's private room?—A. Yes.

Q. Through the room where you were?—A. Through the room where I was.

Q. And then what was done?—A. Mr. Cook saw Mr. Preston out.

Q. Out of the door?—A. Out of the outer door.

Q. Then what happened?—A. Mr. Cook came back to the desk where I was, and seemed very indignant—

Mr. Blake, counsel for the accused parties, objects to this evidence. Objection overruled.

Q. You say that when Mr. Cook took Mr. Preston to the door, immediately upon closing the door Mr. Cook returned to you. In what frame of mind was he or what condition did he appear to be in?—A. He appeared to be very angry.

Q. And what did he say?—A. He said to me, "What do you think of that damned scoundrel Preston?"

Q. And then what happened?—A. I said, "What is the matter Mr. Cook?" He said, "He wanted me to pay $10,000 for a senatorship."

Q. Anything further?—A. Nothing further.

And so on. Now, this was one Mr. W. T. R. Preston, at the time of this investigation immigration agent over in England, brought back to give evidence at this inquiry; formerly organizer for the Liberal party; librarian at the parliament buildings, Toronto, at the time of the famous election episodes throughout this province; the man who was responsible for raising the funds to grease the machine; the man who sent the famous telegram to Donald McNish the night of the election in West Elgin in 1899 to hug the members of the much abused threshing machine for the days of auld lang syne. Fortunately there was an end to the regime of those years, and a general clean-up took place in 1905. Mr. Blake, who was counsel at that time for the accused, was the man who came out and denounced more vigorously than anyone else in the Liberal party the things that had been done

by those whose names I mentioned in a previous debate and the members of the machine. Fortunately for the public life of this country and for the reputation of the people of this Dominion we have not lately had much of that sort of thing to contend with. I had hoped that we would hear nothing further with regard to those who were connected with these events of about a quarter of a century ago, but I regret very much indeed that there is considerable evidence to-day of their activities in the public life of this country.

Mr. W. C. GOOD (Brant): Mr. Speaker, however interesting the remarks of the last speaker (Mr. Sutherland) may be to certain members in this House, they do not pertain very directly, I think, to the resolution under consideration.

I have sometimes wondered whether the Canadian Senate might be described as a comedy or as a tragedy. In fact, I sometimes wonder whether this House is a comedy or a tragedy. I remember a few years ago being told by a friend of mine who was rather prominently connected with the farmers' movement in Ontario that he had been offered a senatorship. I do not think he spent two seconds in deciding what to do, and I should have decided the same as he did; because if he had ever consented to accept a senatorship under the existing conditions he would have been everlastingly condemned by the farmers of Ontario. There is no doubt that the farmers of Ontario, generally speaking, are strongly in favour of the abolition of the Senate. I would suggest to the hon. member for Cape Breton South and Richmond (Mr. Carroll)—I am sorry he is not in his seat,—that there is another motto different from the one which his speech exemplified, namely that "the wish is father to the thought." There is another motto, I say, that he ought to keep in mind and it is "Where there's a will there's a way." He has magnified the difficulties before us in the way of Senate reform. I am free to admit the difficulties; we face difficulties wherever we turn. But I should like to commend to him and to the House that old motto, "Where there's a will there's a way."

In regard to the point raised by the last speaker, I too, heard some years ago about the purchase of senatorships. I hope that is something of the past. But there is no doubt in my mind that the evidence which was presented and the tales that were told some years ago have helped to bring our Senate into disrepute. The views that are current regarding our Senate are very well exemplified in the following clipping from the Victoria Times:

[Mr. Sutherland.]

The Canadian Senate is the most reactionary legislative body in the English-speaking world. There is no other institution with such far-reaching powers in any British Dominion. It would not be tolerated in Britain, Australia, New Zealand and South Africa, and the fact that in its present form it has been tolerated so long in Canada is not a healthy symptom in our people. It should be made more responsive to those who pay for its maintenance and whose will it ought to carry out. Its members should have to give an account of their stewardship to the electors from time to time, if for no other reason than to remind them that they are the servants and not the masters of the public. If this were done the Senate would cease to be the trump card of small but powerful elements who for selfish purposes desire the rejection of legislation affecting them which has been passed by the House of Commons.

Whether right or wrong, that is the situation that faces us; that is the opinion that prevails very largely throughout this country and it is something which we shall have to reckon with.

I hold in my hand a rather interesting document which has been referred to by a former speaker, A Political Cathechism, written by T. A. Patrick, who, I understand, is a resident of the province of Saskatchewan. Let me quote just a few sentences from this document, which I presume has been sent to all members of the House:

Q. Who other than senators are opposed to real Senate reform?—A. Every actual or prospective political derelict, lacking sail, ballast, or cargo, fearful of foundering, is eager to be taken in tow. Every political jobber who values the Senate patronage for the support it will buy; every sectional interest, and every selfish interest that thrives best on unfair advantage and special privilege.

Such is another expression of public opinion in regard to this matter, and in spite of all difficulties, whether public opinion is right or wrong, it is going to make itself felt pretty soon in one form or another. I should like further to direct the attention of the House to something which I think is also partly responsible for the formation of public opinion in regard to the Senate. I have in my hand a clipping from the Farmers' Sun of 1922—I have not the exact date of it, but it is some time during that year. It contains a copy of a letter sent out by a certain W. O. Sealey, of Hamilton, who was at that time striving for a senatorship. This letter is quite worth while placing on Hansard. I read:

Hamilton, Ont., March 8, 1922.

Dear Sir:

Owing to the death of the late Senator Milne, the Hamilton senatorship is now vacant.

Having been a continuous worker and supporter of the Liberal party for the past forty years, a candidate in five campaigns for the Dominion parliament, necessitating the expenditure of the greater part of my time, I acquired a good parliamentary experience, and our continued success seemed assured until we were defeated with the government in 1911.

My political merits appear to be most worthy, and at least a good average for the whole province.

I am now a candidate for the Senate vacancy, so if my comparison of merit appeals to you as being about correct, then I wish you would be kind enough to write the Premier, Hon. Mackenzie King, Parliament Building, Ottawa, (as well as any other Ontario member of the cabinet you may know), immediately, recommending and urging my appointment, believing that if honoured with the appointment, I could still continue to be very useful to the party and community—

Party first, of course.

—as most people feel I was during my parliamentary career—

I do not quite understand him, Mr. Speaker, when he refers to his parliamentary career. I presume it was his participation in five campaigns. I continue:

If by chance you don't find the time or convenience to write quickly, and the enclosed draft letter expresses your sentiments, then kindly date, sign and mail at once and much oblige.

Our Wentworth candidate, Mr. W. T. Evans, suggested that he would be glad to have the views of the Liberal friends of Wentworth on matters of patronage or appointments, so if the enclosed card expresses your views, kindly date, sign and mail same.

Thanking you in anticipation for your immediate attention to the above, and with best wishes as usual.

Yours truly,

W. O. SEALEY.

And enclosed there are very eloquent appeals to the Prime Minister and to Mr. Evans on behalf of Mr. Sealey, so as to save the recipient the labour of composing a letter of his own. I shall not read them, as it is not necessary.

Some hon. MEMBERS: Read them.

Mr. GOOD: Very well then; they are not very long. This is the one to the Prime Minister:

Dear Sir:

I am informed that Mr. W. O. Sealey is a candidate for the Hamilton vacancy in the Dominion Senate.

Having known Mr. Sealey for many years as a consistent and enthusiastic Liberal, I take pleasure, as a member of the Liberal party in giving Mr. Sealey my support, and I respectfully ask your favourable consideration. I assure you that should he be thus honoured (which I trust he will be), the appointment would be very much appreciated in this locality, as well as the province throughout, and that you would find him a most useful and creditable member of your upper House.

Thanking you in anticipation of your personal support and action, believe me to be,

Sincerely yours,

Mr. MACKENZIE KING: Will my hon. friend say that Mr. Sealey has been appointed?

Mr. GOOD: Oh no. I am sure I can commend the Prime Minister for not listening to such appeals as these. I think it is greatly to his credit, if I may be allowed to express an opinion, that an application of this kind was turned down.

Mr. GRAHAM: Whose upper house did the letter say?

Mr. GOOD: "Yours," referring to the Prime Minister.

Mr. GRAHAM: That is hardly borne out by history.

Mr. GOOD: Not as yet, but the time may come, if the right hon. gentleman remains in power long enough, when he can with some propriety call it "his" upper house. The letter to Mr. Evans is as follows:

Dear Mr. EVANS:

I am informed there is a vacancy in the Dominion Senate, and I heartily recommend Mr. W. O. Sealey for the appointment.

I would consider it a favour if you will write the Premier, endorsing Mr. Sealey, and also use your utmost influence to urge his appointment.

I remain,

Sincerely yours,

I suppose this is comedy in a sense, but after all, from the standpoint of the country's welfare, it is very tragic; and if I may be allowed to say so, I think it is a very serious reflection upon the party system. Surely we can develop a system which does not lend itself so well to iniquities of this sort as our present party system seems to have done.

I do not wish to speak at any length in regard to the matter under discussion. I would like to suggest, however, that a number of thoughtful people have really turned their attention to methods of reform. We have a number of proposals that have been put forward, and I sincerely trust that these may receive sympathetic consideration at the proposed conference. I am not going to take the time at this late hour to outline any of these proposals.

I should like, in conclusion, to refer to the resolution, the amendment, and the subamendment that have been moved. There is a little confusion possible in the minds of hon. members regarding the subamendment. I think it would be wise before we vote on the subamendment to have this possible confusion cleared up. The hon. member for Joliette (Mr. Denis) moves in amendment to the said amendment:

That all the words after the word "That" in the amendment be struck out and the following substituted therefor:

The House approves of the convening at an early date of a conference between the government of the Dominion of Canada and the governments of the various provinces to consider the advisability of amending the British North America Act with respect to the constitution and the powers of the Senate.

Now when this subamendment was moved I thought it might have reference to the first "that" in the first line of the resolution, but I think, however, that the meaning is, and it

ought to be, that the reference is to the second "that", namely, the word "that" in the first line of the specific amendment. If that is the meaning, which I take it to be, the subamendment will read as follows:

> That, in the opinion of this House, the Senate as at present appointed and constituted is not of the greatest advantage to Canada.
>
> Therefore it is expedient that the House approves of the convening at an early date of a conference between the government of the Dominion of Canada and the governments of the various provinces to consider the advisability of amending the British North America Act with respect to the constitution and the powers of the Senate.

That, I take it, is the motion as sought to be amended by the hon. member for Joliette. If that is the correct interpretation, I would like to say that I shall support the subamendment heartily. I am prepared to go further than the negative resolution. If the subamendment is carried it will include the original motion. If it is defeated, then we shall have to vote on the amendment. I intend to vote against the amendment, not because I am not in sympathy with its purpose, but because I think that at this juncture it is the wrong way of tackling the problem, and I therefore feel compelled to vote against it. If the amendment is lost and we reach the original motion, I shall vote for it.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): Mr. Speaker, I rise to the point of order that the amendment is void for ambiguity and inconclusiveness. The last speaker (Mr. Good) has made reference to the fact that the word "that" referred to in quotation marks in the subamendment may be the first "that" or the second "that" in the amendment. He seems to assume it is the second, but the House has no right to refer to anything but the words of the resolution in determining its validity and its order. One member might vote for the resolution on the assumption that the word "that" in quotation marks was the first "that" in the amendment; another on the assumption that it was the second. The resolution has a different meaning altogether according as one assumes it to be the first or the second. Nor can the effect be cured by any statement of intention on the part of the mover. It can only be cured by amendment, and an amendment now cannot be made. I think I have made my point clear. There is nothing more clearly established than that any motion that is ambiguous as to meaning, which may mean one thing or may mean another, which has not stated its purport altogether cannot be under consideration in this House. I am free to admit that if the subamendment had read so as to make it clear that the quoted "that" was the second "that" in the amendment, it would be an amendment perfectly in order. Therefore I say it is void for ambiguity and inconclusiveness.

Mr. PUTNAM: Would the right hon. leader of the opposition kindly give us the full reading of each branch of what he alleges as the ambiguity?

Mr. MEIGHEN: If the quoted "that" in the subamendment refers to the first "that" in the amendment then I would argue that the subamendment is wholly out of order. But I am not arguing that now; it may mean one thing or it may mean another. It would then read in this form: The first motion would be:

> That, in the opinion of this House, the Senate as at present appointed and constituted is not of the greatest advantage to Canada.

Mr. PUTNAM: What would be the reading if we take the tangent at the first "that"?

Mr. MEIGHEN: Assuming that the quoted "that" means the first "that" then the subamendment would read as follows:

> That the House approves of the convening at an early date of a conference between the government of the Dominion of Canada and the governments of the various provinces to consider the advisability of amending the British North America Act with respect to the constitution and the powers of the Senate.

It would be another resolution altogether, it would not be in the nature of an amendment to the main motion, consequently it would be out of order. But I am not on that point at all.

Mr. PUTNAM: The word "therefore" does not settle it?

Mr. MEIGHEN: The word "therefore" would not be in it at all if it refers to the first "that". The point I am on is this: That the subamendment as it reads is void for ambiguity in that it has no definite meaning whatever. It may mean one thing, it may mean another thing, and each is equally applicable and equally open. Hon. members of this House cannot be asked to vote on an amendment in that condition.

Mr. SPEAKER: Does any other hon. member wish to speak to the point of order?

Mr. ANDREW McMASTER (Brome): It seems to me that the purport of the amendment to the amendment is not difficult to discover, and that anyone who brought to the consideration of the resolutions before the House not only a critical mind but a desire to arrive at a decision, and a desire to have the opportunity of arriving at a decision,

would find no difficulty in understanding exactly what the amendment means. I also would submit that a rule of construction of statutes is applicable to the rules of this House, namely, that you are to construe a statute in order that it may have a meaning rather than that it should not have a meaning; and I think that you are to construe the resolution in such a way that the amendment will fit into it, rather than in a manner in which the endeavour is to make the amendment a misfit to the resolution. It seems to me, also, that there is a further argument in support of the contention that the amendment to the amendment is in order. The resolution as originally moved is as follows:

That, in the opinion of this House the Senate as at present appointed and constituted is not of the greatest advantage to Canada.

That is the substantive resolution placed before the House. Now then Mr. Findlay, seconded by Mr. Black (Huron) moves an amendment thereto:

That the following words be added to the main motion.

Then follows what he proposes should be added to the main motion:

Therefore it is expedient that a humble address be presented to His Majesty—

And so on. Then Mr. Denis (Joliette), seconded by Mr. Mercier, moves an amendment to the said amendment:

That all the words after the word "that" in the amendment be struck out and the following substituted therefor:

The House approves of the convening at an early date of a conference—

And so on. There is no difficulty to those who really wish to arrive at the meaning of what is before the House in coming to the conclusion that the "that" referred to is the "that" in the amendment proposed by Mr. Findlay.

Mr. IRVINE: Which "that?"

Mr. McMASTER: The "that" which follows the "therefore," because that is the substantive amendment:

Therefore it is expedient that the House approves of the convening at an early date of a conference between the government of the Dominion of Canada and the governments of the various provinces—

That is the expression of opinion that it is desired the House should give. Both amendments are true amendments in the sense that they add something to the original motion. The original motion is the substantive proposition; the two amendments are amendments of procedure as to how this expression of opinion should be put into effect. Two members have proposed that the expression of opinion should be put into effect by "the presentation of a humble address to His Majesty." Two other members have proposed that the substantive expression of opinion should be made effective by the summoning of a constitutional conference. It seems to me, Mr. Speaker, that there is no necessity to have the issue beclouded by any technical objection as to the impossibility of knowing what "that" is meant. Surely the resolution and the amendments should be interpreted in a way to give them an effect. A reasonable interpretation rather than an unreasonable interpretation should be given to the resolution and the amendments before the House, and I have no difficulty in coming to the conclusion that what is meant is that the "that" mentioned in the first amendment is the "that" which follows the word "expedient."

Mr. MEIGHEN: I should like to add a few words in reply, I am, of course, suffering from the natural humiliation of being lectured by the hon. member for Brome.

Mr. McMASTER: There was no intention to lecture, merely to enlighten.

Mr. MEIGHEN: I am going to try to reflect a little light back on his very brilliant dome. The hon. member says that the real construction should apply, that the reading should be taken which gives a meaning. One reading gives a meaning, the other reading gives a meaning. Both meanings are perfectly clear and perfectly distinct; I am sorry if the hon. member has difficulty in seeing either. I will read the amendment in the form in which he says it is not a meaning which appeals to him. It would read this way:

That the House approves of the convening at an early date of a conference between the government of the Dominion and the governments of the various provinces.

Has any hon. member of this House any difficulty in discerning the meaning of that? I have not. It is a perfectly good piece of English construction; its meaning is as plain as day:

That the House approves of the convening at an early date of a conference between the government of the Dominion and the governments of the various provinces to consider the advisability of revising the British North America Act with respect to the constitution and powers of the Senate.

This is the way it reads if the first "that" is taken to have the intention of the hon. member for Joliette (Mr. Denis). That is the main motion is amended to read this way.

That in the opinion of this House the Senate as at present appointed and constituted is not of the greatest advantage to Canada, and that the following words be added to the main motion:

Therefore it is expedient that the House approves of the convening at an early date of a conference—

The meaning is perfectly clear, it could not be clearer, but the English is not as well expressed as in the first motion. As the hon. member intended, his resolution would probably have read as follows:

That, in the opinion of this House, the Senate as at present appointed and constituted is not of the greatest advantage to Canada, and therefore the House approves—

He would not say "Therefore it is expedient that the House approves." I am not saying that the latter is not perfectly clear as to its meaning. It is. But it is not the natural method of expression. The words, "It is expedient" are wholly superfluous. So that if there is any argument at all, the argument would tell in favour of the first "that" as having been in the mind of the hon. member. All I am submitting to the House is that it is open to two constructions with a wholly different meaning and effect, and the House cannot be asked to vote upon it in that condition.

Mr. SPEAKER: Does any other hon. member wish to be heard on the point of order? I have listened with great care to the point of order raised by the right hon. member (Mr. Meighen) and much as I respect his ability to discern and interpret the rules, I am of opinion that the amendment to the amendment is quite intelligible as it is drafted, and as I understood it when I put the question to the House. The objection is purely technical in my humble opinion. And what is the question? The main motion reads:

That, in the opinion of this House, the Senate as at present appointed and constituted is not of the greatest advantage to Canada.

That motion is moved by Mr. Shaw and seconded by Mr. Irvine. Then an amendment is moved by Mr. Findlay and seconded by Mr. Black (Huron), which purports to add to the main motion the following words:

Therefore it is expedient that a humble address be presented to His Majesty the King praying that the British North America Act be amended so as to provide that the Dominion of Canada may have the power to make the Senate an elective body or to abolish it, as may be decided by the people in a plebiscite to be taken at the next general election.

Then Mr. Denis (Joliette), moves, seconded by Mr. Mercier, in amendment to the said amendment: That all the words after the word "that" in the amendment be struck out and the following substituted therefor:

The House approves of the convening at an early date of a conference between the government of the Dominion of Canada and the governments of the various provinces to consider the advisability of amending the British North America Act with respect to the constitution and the powers of the Senate.

[Mr. Meighen.]

Which "that" is to be taken into consideration at the present moment? Clearly the one in the amendment. The hon. member for Joliette, mark well, states "all the words after the word 'that' in the amendment." The first "that" is in the formula preceding the amendment, but the essential "that" is in the main body of the amendment. The hon. member says quite logically that all the words after the word "that" in the amendment should be struck out. Having that in mind, how will the amendment to the amendment read if accepted by the House? It becomes the main motion amended and reads as follows:

That, in the opinion of this House, the Senate as at present appointed and constituted is not of the greatest advantage to Canada; therefore it is expedient that the House approve of the convening at an early date of a conference between the government of the Dominion of Canada and the government of the various provinces to consider the advisability of amending the British North America Act in respect of the constitution and the powers of the Senate.

It seems to me that it reads very clearly and very intelligibly. It is true that the hon. member for Joliette might perhaps have omitted the words "it is expedient", but I am sure the right hon. member (Mr. Meighen) does not think that this is more than a technical objection. At most, it is surplusage in the phraseology and quite easy to understand in the case of an hon. member who does not use the English language as his mother tongue. A mere surplusage does not render the amendment unintelligible.

The amendment is on the contrary quite intelligible. If the word "that" applied to the formula preceding the amendment I would agree with the right hon. gentleman and I would rule the motion out of order; but with ordinary common sense I must accept the second "that" and thus construed, the amendment is intelligible. My ruling is that the amendment is in order. There are three principles put in concrete form before the House; the main motion which sweeps away the Senate as appointed and constituted; the second principle indicates the procedure which ought to be followed to reform the Senate; that is to say, by an amendment to the British North America Act; the third principle put forward by the hon. member for Joliette favours the calling together of a conference of the governments of the Dominion and of the various provinces to deal with the issue. That is my understanding of the three questions before the House.

The question is on the amendment to the amendment.

The House divided on the subamendment (Mr. Denis, Joliette) which was agreed to on the following division.

YEAS

Messrs:

Archambault,	Lapierre,
Baldwin,	Lapointe,
Bancroft,	Leader,
Beaubien,	Lewis,
Béland	Logan,
Benoit,	Lovett,
Binette,	Lovie,
Bouchard,	Low,
Boucher,	Lucas,
Bourassa,	Macdonald (Pictou),
Brown,	MacLean (Prince, P.E.I.),
Caldwell.	Maclean (York),
Cardin,	Macphail (Miss),
Carmichael,	McBride,
Carroll,	McConica,
Carruthers,	McKay,
Casgrain,	McMaster,
Chevrier,	McTaggart,
Coote,	Marcil (Bonaventure),
Crerar,	Marcile (Bagot),
Davies,	Martell,
Déchène,	Mercier,
Delisle,	Millar,
Denis (Joliette),	Milne,
Denis (St. Denis),	Morin,
Descoteaux,	Motherwell,
Deslauriers,	Murdock,
Desrochers,	Ouimet,
Elliott (Dundas),	Papineau,
Ethier,	Pelletier,
Evans,	Pritchard,
Fafard,	Putnam,
Fiset (Sir Eugene),	Rankin,
Fontaine,	Raymond,
Forrester,	Reed,
Fortier,	Robb,
Fournier,	Roberge,
Garland (Bow River),	Robichaud,
Good,	Robinson,
Gordon,	Ross (Simcoe),
Gould,	St. Père,
Graham,	Sales,
Halbert	Savard,
Hammell,	Séguin,
Hanna,	Sexsmith,
Hatfield,	Shaw,
Hoey,	Sinclair (Oxford),
Hopkins,	Sinclair (Queens, P.E.I.),
Hughes,	Snowball,
Humphrey,	Speakman,
Hunt,	Spencer,
Irvine,	Steedsman,
Kelly.	Stewart (Argenteuil),
Kellner,	Stewart (Humboldt),
Kennedy (Edmonton),	Stork,
King (Huron),	Tobin,
King (Kootenay),	Wallace,
King, Mackenzie (York),	Warner,
Knox,	Woods,
Lanctôt,	Woodsworth.—120.

NAYS

Messrs:

Arthurs,	Bowen,
Bird,	Campbell,
Black (Huron),	Chaplin,
Black (Yukon),	Church,
Dickie,	Senn,
Doucet,	Simpson,
Drummond,	Stevens,
Fansher,	Stewart (Hamilton),
Findlay,	Stewart (Leeds),
Gardiner,	Stirling,
Grimmer,	Sutherland,
Hodgins,	Thompson,
Kennedy (Port Arthur & Kenora),	Thurston,
	Tolmie,
Meighen,	Ward,
Preston,	White.—32.
Ross (Kingston),	

PAIRS

(The list of pairs is supplied by the chief whips.)

Messrs:

Clifford,	Stansell,
Powell,	Mewburn,
Kyte,	Boys.
Malcolm,	Duncan,
McMurray,	Ryckman,
Kay,	Wilson,
Gendron,	Garland (Carleton).

Motion agreed to on division.

Mr. RYCKMAN: I was paired with the Solicitor General (Mr. McMurray). Had I voted I would have voted against the amendment to the amendment.

Mr. KAY: I was paired with the hon. member for Wentworth (Mr. Wilson). Had I voted I would have voted for the amendment to the amendment.

Mr. GENDRON: I was paired with the hon. member for Carleton (Mr. Garland). Had I voted I would have voted for the amendment to the amendment.

ADJOURNMENT—CORRESPONDENCE, Dr. MAGILL

Mr. MACKENZIE KING moved the adjournment of the House.

Mr. MEIGHEN: I want to call the attention of the Prime Minister (Mr. Mackenzie King) to a file of correspondence tabled this afternoon. The correspondence is manifestly incomplete as filed. For example there is a letter from myself to Dr. Magill, but the reply of Dr. Magill does not appear. There was also some further correspondence subsequent to that. I am sure this correspondence is on file in the department.

Mr. MACKENZIE KING: I observed, as my right hon. friend has mentioned, that there was communication with Dr. Magill and I have been inquiring of all the departments to find out if there was a reply. I have not been able to trace it. However, there are further papers that have come from the Department of Trade and Commerce which will be tabled to-morrow, although they do not include any communication from Dr. Magill.

Mr. MEIGHEN: It must be there even though it may be difficult to locate it. I would suggest that the government get a copy of Dr. Magill's reply from him. He was here last week but I did not think of the matter then.

Mr. MACKENZIE KING: I have already suggested that he be telegraphed to concerning it.

Motion agreed to and the House adjourned at 11.45 p. m.

Tuesday, March 10, 1925

The House met at three o'clock.

COPYRIGHT ACT, 1921, AMENDMENTS

Mr. W. G. RAYMOND (Brantford) presented the first report of the special committee appointed to consider and report upon Bill No. 2, an act to amend and make operative certain provisions of the Copyright Act, 1921, and moved that the report be concurred in.

Mr. STEVENS: Should not notice be given, Mr. Speaker?

Mr. SPEAKER: It is generally a formal motion, but it is the privilege of any member to ask that notice be given.

Stands as notice of motion.

AUDITOR GENERAL AND ACTING MINISTER OF FINANCE

Hon. J. A. ROBB (Acting Minister of Finance): Mr. Speaker, I desire to lay on the table certain correspondence exchanged between the Auditor General and the Acting Minister of Finance, asked for by my hon. friend from West York (Sir Henry Drayton).

CORRESPONDENCE ON OCEAN SHIPPING RATES

Hon. T. A. LOW (Minister of Trade and Commerce): Mr. Speaker, I desire to lay on the table of the House a copy of the correspondence asked for yesterday by the right hon. leader of the opposition (Mr. Meighen) in connection with ocean rates.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, last night my right hon. friend (Mr. Meighen) asked me with respect to a report on ocean rates from Dr. Magill to himself. I mentioned at the time that I had requested one of my colleagues to telegraph Dr. Magill for the report. This morning he received the following telegram in reply:

[Mr. Mackenzie King.]

Hon. T. A. Low,
Minister of Trade and Commerce.

Winnipeg, March 10.

Did not undertake work offered in Mr. Meighen's letter February 16, 1921, because Hyndman Commission on grain trade appointed about that time.

R. MAGILL.

There appears to have been no report.

With reference to the correspondence which was tabled yesterday on the subject of ocean rates and the correspondence which has been tabled to-day from the Department of Trade and Commerce, which correspondence was requested by the right hon. leader of the opposition, I think the House should have the advantage of perusing it, and I therefore beg to move:

That one thousand copies in the English language and five hundred copies in the French language of the correspondence between the government of Canada and the British government in regard to the subject of ocean rates and especially in relation to the Imperial Shipping Committee laid on the table of the House on Monday, March 9, and one thousand copies in the English language and five hundred copies in the French language of the correspondence from the Department of Trade and Commerce regarding trans-atlantic freight and passenger rates, laid on the Table this day, be printed forthwith, and that rule 74 be suspended in relation thereto.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): Mr. Speaker, I certainly have no objection to the correspondence tabled on the 9th, which I asked for, between the Prime Minister's office and the British government or the Imperial Shipping Committee, being printed. But I know nothing about this subsequent correspondence which has been laid on the table to-day; it was not included in what was asked for by me. I have no personal knowledge of it so far as I know. It is somewhat voluminous and I only had about three seconds to look at it, but I note that many of the letters addressed to the minister are marked "private and confidential"; I have not noticed whether any of his are or not. It seems to me that probably we would not be acting rightly in having the correspondence published without the closest investigation and perhaps the consent of the correspondents.

Mr. MACKENZIE KING: I do not know what "private and confidential" correspondence my right hon. friend alludes to.

Mr. MEIGHEN: It is marked.

Mr. MACKENZIE KING: There is some marked "private and confidential?"

Mr. MEIGHEN: Oh, yes.

Mr. MACKENZIE KING: I have no objection to the "private and confidential" letters not being brought down, but I think the rest

of the correspondence should be available at the earliest date. It was asked for by my right hon. friend, who requested production of correspondence not only from the Department of External Affairs but also from the Department of Trade and Commerce.

Mr. MEIGHEN: What I asked for was correspondence with the British government or the Imperial Shipping Committee. From what I have seen, this is correspondence written by various people in Canada to the Minister of Trade and Commerce, and is all marked "private and confidential" or "personal and confidential." I have not read any of it.

Mr. MACKENZIE KING: How many letters are marked "private and confidential?"

Mr. MEIGHEN: I have only had time to look at a few. The last one is; the next one is, apparently most of them are.

Mr. MACKENZIE KING: Are there any others?

Mr. LOW: I may say that that letter was placed on the general file by the ex-Minister of Trade and Commerce when he left the office.

Mr. MEIGHEN: It may be all right. I am not saying any of it is necessarily private and confidential; I have not had time to read any of the letters. We are asked to order the printing and publication on one second's examination. I suggest that as to this correspondence the motion be postponed.

Mr. MACKENZIE KING: I do not wish to press the motion for the printing; it can be moved to-morrow if my right hon. friend would like to have an opportunity to look over the correspondence. I suggest, however, that the first part of the resolution, in respect to the correspondence laid on the table yesterday and to which my right hon. friend has no objection, be adopted.

Mr. SPEAKER: The motion will therefore read:

That one thousand copies in the English language and five hundred copies in the French language of the correspondence between the government of Canada and the British government in regard to the subject of ocean rates, and especially in relation to the Imperial Shipping Committee, laid on the table of the House on Monday, the ninth of March, be printed forthwith, and that rule 74 be suspended in relation thereto.

Is it the pleasure of the House, by unanimous consent, to adopt the motion as amended?

Motion, as amended, agreed to.

PENSIONS AND RE-ESTABLISHMENT

On the Orders of the Day:

Hon. R. J. MANION (Fort William and Rainy River): Before the orders of the day are proceeded with I would like to ask the Minister of Soldiers' Civil Re-establishment (Mr. Beland), in view of the fact that it was stated by the Senate last year, when amendments respecting pensions and re-establishment came before them, that they came too late to be properly dealt with, whether any amendments contemplated this year will be brought in sufficiently early to permit a thorough discussion of them, and to give the Senate ample opportunity to consider them?

Hon. H. S. BELAND (Minister of Soldiers' Civil Re-establishment): It is my intention to bring down the legislation as soon as possible. It will be delayed a few days longer because I have been notified that a delegation of returned men intend to interview myself and perhaps the government as a whole in connection with the proposals to be brought down. That is the only reason for postponing the presentation of the bill.

MINERS AND STEEL WORKERS

On the Orders of the Day:

Mr. JOS. T. SHAW (West Calgary): I desire to ask the Prime Minister (Mr. Mackenzie King): if he has received the following telegram from Mr. A. C. McCormick, mayor of Sydney Mines:

Large citizens' meetings held here, third. Committee of town council urging clergy, board of trade and business and professional men appointed to draw up resolution to correct false impressions arising through speeches of Cape Breton representatives in parliament. Conditions here exceedingly bad. Work very slack since New Year and many in distress. Churches opening food depots and British-Canadian Co-operative Society opening soup kitchens. All members of this committee are outsiders and have no connection with labour union and deprecate efforts to make it appear that conditions anything but bad. Besco has cut off credit at its store to workmen. Wish to impress upon the public that grave situation exists and repudiate statements to the contrary made in parliament. Last week 127 families, 254 adults, 640 children supplied food for one week by citizens relief committee from contributions of citizens of Sydney Mines. Soup and sandwiches to 886 school children Thursday to Monday supplied by British-Canadian Co-operative Society. This week's requirements for week's food supply estimated 210 families, 420 adults, 1,050 children. Doctors report many cases influenza. Receiving no assistance from outside sources. Situation very grave, local resources about exhausted. Would earnestly implore financial assistance from the government of Canada as the provincial government sending no relief.

If the Prime Minister has received this telegram, has he made any inquiry as to its authenticity and is any relief proposed for

what would appear to be a very grave situation in that district?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I received last night a telegram in the words, I think, of that which has just been read by my hon. friend. I instructed my secretary to acknowledge it and say that its representations would receive the government's consideration. I brought the representations set forth in the telegram to the attention of my colleagues in council today. The position the government takes in the matter is this: The Premier of Nova Scotia has already intimated to the president of the Mine Workers' Union that the government of Nova Scotia would be prepared to co-operate in any matters of distress where it appears that the municipalities are not able to take care of the situation. This government, therefore feels, that unless requested by the government of Nova Scotia so to do, we should not intervene at this time.

PRIVILEGE—MR. CARROLL

On the Orders of the Day:

Mr. W. F. CARROLL (Cape Breton South and Richmond): Mr. Speaker, I rise to a question of privilege. I notice that in a telegram read by the hon. member for West Calgary (Mr. Shaw), Mr. A. C. McCormick states that he wishes to correct a wrong impression conveyed by members for Cape Breton regarding the situation in his district. I may say that I made but a passing reference to the district of Sydney Mines, which is not in my constituency. In my speech on this question I dealt almost wholly with the situation as it pertained to the constituency which I have the honour to represent, and therefore could have created no wrong impression.

CIVIL SERVICE COMMISSION

On the Orders of the Day:

Mr. H. C. HOCKEN (West Toronto): I would like to ask when I may expect an answer to my question, which stands No. 1 on the order paper?

Right Hon. Mr. MACKENZIE KING: As soon, I think, as the Secretary of State (Mr. Copp) returns, which I am told will be tomorrow.

ALLEGED MERGER OF POLITICAL INTERESTS

On the Orders of the Day:

Mr. J. L. STANSELL (East Elgin): I wish to ask the Prime Minister a question based on a report in the issue of the Toronto Globe of March 9. The heading is, "Liberals and Progressives Join to Back Low Tariff Candidate." It reads in part as follows:

Representatives of both Liberals and Progressives, at a meeting in the Battersby house here, unanimously agreed on a merger of political interests in Norfolk county. . . . The following resolution . . . . was unanimously adopted:

"That this meeting expresses its approval of the nomination of a low tariff candidate to contest the riding of Elgin-Norfolk—

It should be Norfolk-Elgin.

"—in the coming Dominion election.

"That to this end a convention, representative of all low-tariff electors of the riding, be called to make the said nomination.

"That the said candidate, when elected—"

Evidently they are sure of election.

"—is pledged to give independent support to, and join the caucus of whichever low-tariff party may be in power, whether it be under the leadership of Mr. King or Mr. Forke."

Now, I know well the abhorrence that this government has always felt in regard to mergers and combines, and I wish to—

Some hon. MEMBERS: Order.

Mr. SPEAKER: The hon. member may not make a speech on the orders of the day. He may simply put a question to the government.

Mr. STANSELL: The question I wish to ask is this: In the event of the success of the merger or combine, whichever you wish to call it, in the various ridings, will the government abandon the idea of the single transferable vote?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I will answer that question after the event to which my hon. friend alludes has taken place.

NATURALIZATION LAWS AMENDMENT

On the Orders of the Day:

Right Hon. W. L. MACKENZIE KING (Prime Minister): On the orders of the day yesterday I promised the hon. member for Lisgar (Mr. Brown) that I would give him a statement to-day with respect to a question he asked. The question was—

—whether the government has received any communication from the British government relative to the amendment of the naturalization laws to prevent a woman of British nationality married to an alien from losing her British citizenship except by declaration of alienage, and providing for the re-admission to British citizenship of British women married to aliens where the marriage state, although officially existing, has for all practical purposes terminated?—and, if so, what measures the government proposes to take to secure the removal at the earliest possible moment of the disabilities in this respect now resting on Canadian women?

Perhaps my hon. friend will pardon me if I read the reply as well:

A despatch dated November 6, 1924, was received from the Colonial Office on November 17, enclosing for consideration a draft bill which embodied two amendments to the Naturalization Acts, 1914-1922, carrying out recommendations of the Imperial conference of 1923, one providing for issuing naturalization certificates to inhabitants of mandated territories, and the other providing for the readmission to British nationality of natural-born subjects married to aliens where the married state, though subsisting in law, has to all practical purposes come to an end.

The despatch also suggested for consideration two other changes which were under consideration, but as to which no definite recommendation was made; one of these suggestions was that a British-born woman should not on marriage lose her British nationality if and so long as she does not acquire the nationality of her husband under the law of his country. No proposal has been received from the British government to the effect indicated in the first part of the question of the member for Lisgar, that a woman of British nationality on marriage to an alien should not lose her British nationality except by declaration of alienage.

As to what measures the government proposes to take to secure the removal at the earliest possible moment of the disabilities in this respect now resting on Canadian women, I would say, that this matter has been referred to the departments of the Secretary of State and of Justice for consideration and report to council, and an announcement with respect to the action of the government thereon will be made at a later date.

GRAIN INQUIRY COMMISSION

On the Orders of the Day:

Mr. ROBERT GARDINER (Medicine Hat): On February 27, the Minister of Trade and Commerce laid on the table of the House the evidence taken before the Royal Grain Inquiry Commission. On going over the evidence I find that the evidence that was taken at the special session at Vancouver from May 16 to June 5 inclusive is not included. Is it the intention of the minister to table that evidence?

Hon. T. A. LOW (Minister of Trade and Commerce): I thought that evidence had been included with the other. I will see that it is tabled.

OLD AGE PENSIONS

On the Orders of the Day:

Mr. WILLIAM IRVINE (East Calgary): I would like to ask if the government have made any progress towards bringing down an Old Age Pension Act, and if we may expect such an act this session.

Hon. JAMES MURDOCK (Minister of Labour): The matter has received further consideration by the government as a result of the answers received from the various provincial governments, and within the next few days we shall be in a position to further advise the House as to what action will be taken.

DOMINION ELECTIONS ACT AMENDMENTS

On the Orders of the Day:

Mr. J. S. WOODSWORTH (Centre Winnipeg): Can the Solicitor General give us any intimation as to the time when the amendments to the Elections Act will be brought down?

Hon. E. J. McMURRAY (Solicitor General): We are giving attention to that matter now, and expect to bring down the amendments very shortly.

RURAL CREDITS

On the Orders of the Day:

Mr. M. N. CAMPBELL (Mackenzie): I would like to ask the Acting Minister of Finance if he is now in a position to make any announcement of governmental policy in regard to rural credits.

Hon. J. A. ROBB (Acting Minister of Finance): I have nothing further to add to what I stated the other day.

CORRESPONDENCE ON OCEAN SHIPPING RATES

On the Orders of the Day:

Hon. H. H. STEVENS (Vancouver Centre): I am sure the Prime Minister will welcome another word in regard to this correspondence. I find on this file a letter marked "personal and confidential," written by myself when I was Minister of Trade and Commerce in 1921 to the Deputy Minister of Trade and Commerce, enclosing a letter marked "confidential". This enclosure was a letter addressed to me at Vancouver and in my letter to the deputy I pointed out that, being absent from Ottawa it was impossible for me to take action regarding it, and I submitted it to the deputy marked "personal and confidential." That letter certainly should not appear on this

file. There is nothing damaging in this letter, nor anything that could not be published, except that the party who wrote the letter marked it "personal and confidential", and he cites personal experiences which I do not think any manufacturer or tradesman would like to have published to the world without his consent. I have no objection at all to the rest of the file: but I am surprised that this particular letter should appear on the file at all.

Hon. T. A. LOW (Minister of Trade and Commerce): I can only say in reply to my hon. friend that I asked my deputy to have a copy made of the correspondence, and the file is just as it was handed to me. I take it that the letter my hon. friend refers to which was marked "personal and confidential" was placed on the general file when he was Minister of Trade and Commerce. If he had considered it a personal letter I have no doubt he would have taken it with him when he left the department.

Mr. STEVENS: It is not a letter addressed to me. I have not the custody of it. It is a letter addressed by me to the deputy minister enclosing a personal and confidential letter.

Mr. LOW: My hon. friend is referring to a letter addressed to him as Minister of Trade and Commerce?

Mr. STEVENS: No. Show the two of them to the Prime Minister. He will understand it.

Right Hon. W. L. MACKENZIE KING (Prime Minister): My hon. friend is quite right in saying that there is a letter addressed to himself as Minister of Trade and Commerce marked "personal and confidential"; then there is also a letter addressed by himself to the deputy minister marked "personal and confidential", and signed "H. H. Stevens, Minister." I assume the reason this letter has been kept on the file is that the deputy minister regarded it as a request for departmental action. However, Mr. Speaker, as far as these letters are cocerned, if my hon. friend would like to have them considered as personal and confidential I am sure that every member of the administration will wish to have them withdrawn from the file, and I shall be happy to have that done. But I would take it for granted that personal and confidential letters, the minister would take with him on leaving the department.

Mr. STEVENS: My right hon. friend mistakes the situation. It is a letter from me. I was not in custody of the letter at all; it left my hands in Vancouver, and was sent to the deputy minister in confidence, enclosing a confidential letter. I had not it in my custody; so I could not take it out of the file.

[Mr. Stevens.]

Mr. MACKENZIE KING: These letters have been laid on the table of the House, but I presume the House will give its consent to the letters to which my hon. friend refers being withdrawn. If so, I would like to request that they be withdrawn. My right hon. friend the leader of the opposition has intimated that with these letters withdrawn he is agreeable to having the rest of the correspondence printed. I think it would facilitate the debate if all the correspondence were printed at the same time; so if we might return to that motion, Mr. Speaker—

Mr. SPEAKER: I shall have to put the question again. By unanimous consent, it is moved:

That one thousand copies in the English language and five hundred copies in the French language of the correspondence between the government of Canada and the British government in regard to the subject of ocean rates, and especially in relation to the Imperial Shipping Committee, laid on the table of the House on Monday, March 9, and one thousand copies in the English language and five hundred copies in the French language of the correspondence from the Department of Trade and Commerce regarding transatlantic freight and passenger rates, laid on the table this day, be printed forthwith, and that rule 74 be suspended in relation thereto.

Is it the pleasure of the House to adopt the motion as re-amended?

Motion as re-amended agreed to, by unanimous consent.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): While on this subject,—the former Minister of Trade and Commerce asked some little time ago if there was any other material that could be presented to the House besides the Preston report. The Prime Minister was at that time of the view that there was not. It occurs to me there probably is some other correspondence between 1921 and 1925 having to do with the same subject passing between the government and other parties, of the same nature as that ordered to be printed now. If so, it should all be ordered to be printed together.

Mr. MACKENZIE KING: I am sure it would be satisfactory if there are any such letters, to have them laid on the table and printed. I will ask the departments to make a search and see that any such letters are brought down if possible to-morrow.

TORONTO VIADUCT

Hon. GEORGE P. GRAHAM (Minister of Railways and Canals) moved that the House go into committee to consider the following proposed resolution:

Resolved, that it is expedient to amend the provisions of section 6 of the Act respecting the Toronto Terminals Railway Company, chapter 70 of the statutes of 1924, whereby the Canadian National Railway Company was authorized to issue bonds, debentures or other securities to an amount not exceeding seven million dollars, in addition to the issue authorized by subsection two of the section enacted thereby; and to provide that such bonds, debentures or other securities may be used,—

(a) in the purchase at par of securities issued by the Terminals Company not exceeding, together with the securities purchased under the provisions of subsection two, one-half of the total securities to be issued by the Terminals Company for the purpose of its undertaking;

(b) in defraying the cost of portions of the said viaduct and works, which will not be included in the works to be owned by the Terminals Company, and will have to be constructed for or by the Canadian National Railway Company itself.

He said: The object of this resolution is to amend the statute passed a year ago in reference to the construction of what is known as the viaduct in Toronto. The construction of that viaduct will take place under the purview and control of what is known as the Toronto Terminals Railway Company, made up of the two railway companies, the Canadian Pacific and the Canadian National. It has been found that each railway company has certain works that come within the viaduct agreement but are outside of the purview of the Terminals company, and this is merely to allow the Canadian National railway, because that is the only company we deal with, to spend a portion of the money in constructing the works that belong to it solely. This resolution makes no difference as respects the expenditure or the bonding powers.

Sir HENRY DRAYTON: It simply enables the work to go on?

Mr. GRAHAM: Yes.

Motion agreed to and the House went into committee, Mr. Gordon in the chair.

Resolutions reported, read the second time and concurred in. Mr. Graham thereupon moved for leave to introduce Bill No. 23, respecting the Toronto Terminals Railway Company.

Motion agreed to and bill read the first time.

Mr. Graham moved that the bill be now read a second time.

Mr. C. G. POWER (Quebec South): Does this motion require the unanimous consent of the House?

Mr. SPEAKER: Yes.

Mr. POWER: Then I object to it.

Mr. SPEAKER: Objection having been taken the motion stands until the next sitting of the House.

Motion stands.

OCEAN SHIPPING RATES

AGREEMENT WITH SIR WILLIAM PETERSEN—MOTION FOR RATIFICATION DISCUSSED

The House resumed, from March 3, the adjourned debate on the motion of Hon. T. A. Low (Minister of Trade and Commerce) to ratify and confirm a contract between His Majesty and Sir William Petersen providing for the establishment of a subsidized steamship line on the Atlantic, and government control of certain ocean rates.

Mr. J. A. CLARK (Burrard): In debating the government's resolution to approve of an agreement with Sir William Petersen whereby the country is obligated to pay £275,000 annually for the next ten years in return for the establishment of a fleet of ten ships for a service between Canada and Great Britain and Ireland or Europe, I should like first to examine some of the reasons and conclusions given to the House by the Minister of Trade and Commerce why this agreement should be adopted. At the outset I think it would be pertinent to refer to a statement which the minister made in submitting the resolution on March 3. He said on that occasion: "I intend to try and establish that these rates are exorbitant and unjustified. In my endeavour to prove that I propose to call as my star witness the hon. member for West York (Sir Henry Drayton)." Now, Mr. Speaker, I have carefully examined every word of evidence given by the hon. member for West York before the Dominions Royal Commission. I have also carefully examined the report which he made in October, 1913, and I cannot find one word that would justify the minister in stating that the hon. member for West York has made a finding or given evidence that ocean rates are exorbitant. I might refer very briefly to what the hon. gentleman did say. It is part of the paragraph quoted by the minister, and I think it might be as well that the House should have before it the whole paragraph and not simply a portion of the paragraph as was quoted. Before the royal commission, in October, 1916, Mr. Sinclair asked Sir Henry Drayton this question:

Q. When you were speaking on ocean freight rates you gave us some every interesting figures. I was not quite clear with regard to your view of the ocean freight rates that obtained before the war. Did you regard them as satisfactory or not?—A. No, I felt that it was absolutely necessary to ascertain, in the

interest of the traffic, whether the increases were just or not. Of course, the companies have claimed that the cost of operation has gone up tremendously, that wages have gone up enormously, and that docking dues have increased, and that a thousand and one things have gone wrong, but the interests of the traffic render it absolutely necessary to find out whether these statements are correct or not. My own conclusion, from the little investigation which I was able to make, was that the companies were perfectly right in saying that the costs have largely increased. But while all that was true, the increased carrying facilities of the boats were so great that when you came to prorate the increase over your carrying unit—the marine ton—the cost per carrying unit had gone down, although the cost per vessel for operation per trip had gone up very much. Of course, the cost per carrying unit is the decisive matter on which your rate should be based.

Again, on cross-examination by Mr. Tatlow, he said:

Q. You said that you recognized that the cost of working steamships had greatly increased in recent years?—A. Yes.

Q. I think you also said that you did not know whether or not that increase would justify the increase in rates which had been made?—A. Yes.

Q. Do you know whether in consequence of these large increases in rates, which in a number of instances have appeared to be high, the dividends of these large steamship companies have been increased?—A. They have been very satisfactory.

Q. Admitting all that, do you think that before anything is done in regard to imposing maximum rates for steamship services, there should be some public inquiry by a well constituted tribunal to determine whether the case has been made out or not?—A. I should have said that this Imperial committee would do that.

Q. It would be a big inquiry?—A. I think this would be a very careful commission and that no injustice would be done to anybody.

Q. You could not do it without hearing from the other side?—A. No.

It will be observed that the hon. member for West York (Sir Henry Drayton) agreed that an investigation into the rates charged was justified. He stated emphatically that both sides should be heard and he suggested that governmental control was necessary; he recommended that a board should be appointed to fix maximum rates. But he gave no evidence which would justify the minister in making the statement to this House that the member for West York had declared that ocean rates are exorbitant. That is my first point.

In the second place I would point out that the hon. member for West York flatly contradicts the statement made by the minister in his presentation of the matter to the House, that the preference which the dominions have given to the Mother Country has been nullified in many instances by the actions of this combine. I will refer again to the report made by the hon. member for West York in October, 1913, upon this subject. This is what he says:

The claim that importers made to the effect that the British preference was absorbed by increased rates does not appear to be borne out. The following statement would seem to be approximately correct:

	Value	Preferential	Rates 1910	Rates 1912	Increase
	£		s d	s d	s d
Woollen goods	90 per 40 cu. ft.	5 per cent 90 0 per 40 cu. ft.	27 6	30 0	2 6
Cotton piece goods	80 per 40 cu. ft.	5 per cent 80 0 per 40 cu. ft.	22 6	30 0	7 6
Carpets	50 per 40 cu. ft.	5 per cent 50 0 per 40 cu. ft.	20 0	25 0	5 0
Felt hats	30 per 40 cu. ft.	7½ per cent 45 0 per 40 cu. ft.	15 0	20 0	5 0
Cutlery	150 per 40 cu. ft.	7½ per cent 225 0 per 40 cu. ft.	25 0	35 0	10 0

No shipper has supplied me with any information which supports the general proposition that is that British preference has been absorbed. I have no doubt, however, that, on articles sold on the Canadian market by the British exporter in close competition with exporters in other countries, the increases in rates of recent years have a detrimental and injurious effect on the traffic, and may account in part for the fall in ratio of British exports.

This is borne out by the findings of the Dominions Royal Commission given in 1918. It is contended by the shipping companies to-day that the same ratios exist now as existed then; yet the minister states that the British preference has been absorbed by the increase in ocean rates. It might be well, when considering the question whether this British preference has been so absorbed, to refer to some of the resolutions passed at meetings of the Canadian manufacturers, who have complained bitterly throughout the country regarding increases in the British preference. These also show quite clearly that there is nothing in the minister's assertion that the increase in rates has resulted in absorbing the British preference.

So that it may not be thought that I am arguing that the rates which at present prevail are fair, or that there is no room for improvement, I should like at this point to refer the House to the final report of the Dominions Royal Commission. That report I am prepared to adopt, and I think this House might well adopt it, and future action based thereon. The recommendations made by the commission in that final report may be found at page 316, paragraph 594. They are as follows:

594. We are, however, unanimous in thinking, as we have indicated in the preceding paragraphs, that some

measures of supervision are needed. In our opinion, the line which should be taken is as follows:

(1) The contractors for the new mail services which we have recommended earlier in this report, and for all other mail services subsidized in the future by Your Majesty's government and by the oversea governments, should be required to submit a schedule of freight rates on the chief articles both of import and export, supervision of which is of importance in the national interest, for the approval of the government or governments concerned; these rates when approved should not be altered without consent. Adequate penalties should be provided under the contracts for any breach of these provisions.

(2) Similar action should be taken in the case of all vessels to the construction or operation of which contributions of any kind are made by Your Majesty's government or the oversea governments.

(3) We are of opinion that the competent ministries of Your Majesty's government and the Dominion governments should be empowered each to set up a board for the purpose of making inquiry where a prima facie case is established, that the interests of shippers are adversely affected by the action of steamship owners, or steamship conferences.

Suitable division of functions of these boards would, of course, be necessary in order to avoid overlapping, i.e., to secure that two boards should not deal with the same cases as imports and exports respectively.

(4) With a view to securing for such boards the necessary information required for the proper performance of the proposed duties, all steamship owners trading with the parts of the empire concerned should be required to file with the competent departments:

(a) copies of all written agreements (or memoranda of oral understandings) with other shipping companies, British or foreign, and all modifications in these agreements or understandings;

(b) copies of all similar agreements, etc., with individual shippers (whether British or foreign) and with railway and other transportation companies. These boards should also be given full powers for taking evidence and for ordering the production of documents.

(5) The boards should be empowered to investigate fully complaints regarding the unreasonableness or unfairness of rates. They should also be able to initiate inquiry where they may deem it necessary.

(6) In particular, the investigations of the boards should extend to freight classifications and to complaints relating to the adjustment of rates between classes of commodities. They should also extend to complaints regarding (a) failure to give reasonable notice of changes in classification or rates; (b) unfair treatment of shippers in the matter of cargo space, etc.; (c) the existence of discriminating or unfair contracts with certain shippers; (d) unfairness in the settlement of claims and indifference to the landing of freight in proper condition.

(7) The investigations of the boards should be held in public, and their action should be especially exercised along the lines of conference and conciliation, with a view to dissipating misunderstandings, and the bringing about of amicable agreement between shippers and shipowners. We believe that action in this direction, combined with press publicity and an immediate report to the ministerial and parliamentary authority concerned, ought to suffice to rectify and correct abuses, and, therefore, we do not recommend that the boards should be empowered to fix freight rates. We recognize, however, that some of the governments may think it advisable to give judicial powers to their boards, in addition to those suggested above, in order to enable them to enforce their decisions if and when conciliation fails.

(8) The case of differential freight rates should, in our judgment, be treated exceptionally. The boards, in cases of this kind, should be entrusted with wider functions, including not only powers of conciliation and arbitration but authority, at their discretion, to order the abolition of differential rates which are found inimical to Imperial trade.

Now, it is strange that the recommendations of this government, with this report as well as the Drayton report before them, should be so diametrically opposed to all the recommendations therein contained, especially in view of the fact that the minister seems to attach so much importance to the Drayton report, which, I may say, agrees with the report of the Dominions Royal Commission. These commissions have studied the question for years, taking exhaustive evidence upon it and going fully into the matter. Yet, without any investigation at all, except for one made by a single individual, whose report, which is before us, is so replete with inaccuracies as to merit no credence whatever, this government undertakes to reject the findings both of the minister's star witness and of the royal commission that reported on the subject.

I now propose, Mr. Speaker, by an examination of the agreement to discuss the wisdom of the government's policy in asking this House to adopt the agreement.

Paragraph 1 reads:

That the contractor shall and will either personally or by a company which he may form—

—do certain things. The Minister of Trade and Commerce (Mr. Low), in presenting this resolution to the House the other day, stated that he considered that Sir William Petersen's covenant is vital. There is no covenant by Sir William Petersen. He will escape every liability that could attach to him under this agreement. I venture to say that Sir William Petersen has already assigned his interest under this contract and that the government now has no hold over him personally.

Mr. PARENT: Would the hon. gentleman repeat the same statement outside of the House of Commons?

Mr. CLARK: At any time and any place.

Mr. PARENT: We shall see that later on.

Mr. CLARK: It is quite obvious that Sir William Petersen need not even submit to the government an assignment of the subsidy. Whenever he sees fit to assign this contract, he can do so and then the government will have no hold upon him. He need not even advise the government that he has assigned the contract. Moreover, he may assign this contract to a stock-jobbing company anywhere in the world, to any promoters, if he so desires, despite the fact that that company which he forms now may

have no other capital in this world than the subsidy which is referred to in this agreement.

Mr. MACKENZIE KING: Is it not the practice of shipping companies, after a ship has been built, immediately to transfer that ship to a separate company, the idea being, in case of damage or loss at sea, to limit the liability of the company? Was that not the practice that was adopted by the preceding government with respect to the Canadian Government Merchant Marine?

Mr. CLARK: I do not dispute anything the Prime Minister has said, but he should have safeguarded the interest of the taxpayers of this country by having in this agreement some provision whereby the government could scrutinize the company to which this subsidy is to be assigned.

Mr. MACKENZIE KING: Scrutinize the ships?

Mr. CLARK: Scrutinize the company, see that the company is a reputable company. That is my point.

Mr. MACKENZIE KING: The contract is so drawn that not a single cent is contributed by the government to the company unless the service is actually performed.

Mr. CLARK: That may be; but my point is this, that Sir William Petersen may assign this contract to a wildcat company, and we all know that some wildcat companies have succeeded. I venture, however, to prophesy now that the company to which this subsidy is assigned will not succeed.

The next point in this contract to which I wish to direct attention is in paragraph 1 (a) and (c), which must be read together. This provides that the company must build ten ships. Why should any company be required to build ten ships when, according to Lloyd's register, six million tons of shipping are laid up and available for this purpose? When the government in this contract admits and recognizes, as does Sir William Petersen, that a sufficient quantity of that tonnage is of modern construction and properly equipped, when you can go into the open market to-day and purchase tonnage at rates for which it cannot be built, why insist upon the building of new ships? Furthermore, under this contract, why permit the money of the taxpayers of this country to be used in building ships not only outside of this country, but for that matter in Germany or in any other foreign country, if the company so desires? Under this contract these ships may be built anywhere. For instance I noticed in this morning's paper that a German company had outbid British companies and had obtained a great contract for shipbuilding. May not the same thing happen in this instance? The thought is preposterous, that, with unemployment existing as it does in Canada with industry in its present deplorable condition, the money of Canadian taxpayers may be permitted to be used in constructing ships in foreign countries. Moreover, the hon. member for Centre Toronto (Mr. Bristol) the other evening asserted that these ships could be built for $600,000 apiece. I thought surely that could not be the case; that the government would not give Sir William Petersen a million dollars a ship when he could get these ships for $600,000 apiece. I have investigated that and I am assured that these ships can be built in England for £150,000 apiece.

Mr. MACKENZIE KING: I think my hon. friend ought to be more careful in the statements he is making. The government is not giving Sir William Petersen any money for building ships. The contract with him is a contract to allow the government to control ocean rates, and in consideration of the government being given control of ocean rates, of fixing whatever rates it wishes on whatever commodities are transported, the government proposes to give Sir William Petersen a certain amount after the service is performed. Nothing is said as to where the ships are to be built.

Mr. CLARK: That is what I object to. I object most emphatically that nothing is said as to where the ships are to be built. What I wish to point out is this, that though the money is not being advanced merely for the purpose of building the ships, the subsidy actually exceeds the cost of the ships. If we are going to advance nearly twice as much as is necessary to build these ships, why not own them ourselves? Then, we might have an opportunity of fixing the rates. At this point, it might be fitting to refer to the Canadian Government Merchant Marine. If this is such a good scheme, why not turn these ships over to the Canadian Government Merchant Marine which has available to-day sixty ships with a total tonnage of 360,000 odd tons as compared with the Petersen tonnage of 90,000 tons? The Canadian Government Merchant Marine has available to-day over 400 per cent more tonnage than Petersen will have when he gets all his ships built.

4 p.m.

Mr. MACKENZIE KING: They are no good.

Mr. CLARK: Oh, I am glad to hear the Prime Minister assert that the ships of the Canadian Government Merchant Marine are no good. I have been assured by shipping men on the Pacific coast and on the Atlantic coast that these ships are suited for the trade. On the Pacific I see these ships going out and coming in with full cargoes, I see them performing a great service to us in British Columbia. And I raise this objection right now, that the Prime Minister under this contract has made no provision for the Pacific coast. That is another discrimination against the western route and the Pacific coast for which he is personally responsible.

Mr. MACKENZIE KING: If my hon. friend will study this contract he will see it contains a provision whereby the government is free to make the same arrangements with any other shipping companies—the Canadian Government Merchant Marine, the Canadian Pacific or any other shipping company. The government reserves that right and may exercise it at any time from any port.

Mr. CLARK: I am objecting that the Prime Minister has not made that arrangement now with the Canadian Government Merchant Marine. If it is such a good proposition, why pass over our own ships?

Mr. MACKENZIE KING: Wait and see how this works out. We are not taking chances of any loss on the contract.

Mr. CLARK: The Prime Minister stated the other day that the Canadian Government Merchant Marine was not withdrawn earlier from the combine because he was afraid the combine would immediately attempt to put the Canadian Government Merchant Marine out of business. In other words, he was afraid to have the Dominion of Canada go to war with this combine. But he selects Sir William Petersen—

Mr. MACKENZIE KING: No, he did not select him.

Mr. CLARK: Sir William Petersen—a man without a fleet—the Prime Minister selects him to go to war with this combine. Some one remarks that you might as well go to war against the combine or conference with a hay rake or with a bow and arrow, and it is only too true. If this is a good scheme, and even assuming—which I flatly contradict—that, as the Prime Minister says, the Canadian Government Merchant Marine ships are no good,—

Mr. MACKENZIE KING: Those that are not in use, yes.

Mr. CLARK: That is qualifying his first assertion. There are only nine not in use on the ocean.

Mr. MACKENZIE KING: Oh no.

Mr. CLARK: I beg my right hon. friend's pardon. I see the 1924 report states there are fifteen ships out of commission, leaving forty-five ships in commission—over four times the number that Petersen will have when he is fully equipped. And ours are bigger ships. We have twenty-five ships of over 8,000 tons and two of over 10,000 tons. I suggest that if this scheme is a good one, and if the Prime Minister has confidence in the management of Sir Henry Thornton and the officials of the Canadian Government Merchant Marine, then, even assuming for the sake of argument that these ships are no good, as the Prime Minister asserts—the Canadian Government Merchant Marine might be made a great paying proposition. At present they are losing in operating expenses approximately $2,000,000 a year. Now, this is a good proposal, and if we gave Sir Henry Thornton these ten ships which the Prime Minister is having Petersen build, what would be the result? I would refer the House to the remarks of the Minister of Trade and Commerce, which will be found on page 722 of Hansard, that one of these Petersen ships operating from Montreal to Liverpool with a certain cargo and back again in ballast could make a net profit on the round trip of £3,000. Now then, taking the Minister of Trade and Commerce at his word —and I assume the Prime Minister endorses his colleague's statement—that would mean that each of these Petersen ships in five trips from Montreal to Liverpool would make £15,000 apiece, or for the ten ships a total net profit of £150,000. That is for only a portion of the year. It is fair to expect that they might double that profit, but let us say that they make a further £125,000 profit, that would give Petersen a total net profit for the season of £275,000, or $1,350,000. Now, Petersen's net investment is going to be approximately $6,000,000, so this return gives him 20 per cent net profit on the investment of which he does not put up a cent. The taxpayers of this country put up the capital and he makes 20 per cent on the investment according to the minister's own figures. If we could add that net profit to the net revenue of the Canadian Government Merchant Marine, we would pretty nearly wipe out the deficit, and with a few more ships we would turn it into a profit; that is, if the minister's argument is well founded.

Furthermore, assuming its soundness, if Sir William Petersen, without putting up a cent of capital, with his ships built at the country's expense, can make 20 per cent net profit per annum on their cost, why give him a subsidy? Why not allow him to build his own ships and make the 20 per cent? What necessity is there for any subsidy?

Mr. McMURRAY: If it is a fact that under the contract the government controls the rates, will they not necessarily control the man's profits and his rate of profit?

Mr. CLARK: I suggest that if the government does not allow Sir William Petersen to charge exactly the rates which are being charged by the conference lines to-day, he will say, "The subsidy is of no use to me; I withdraw." Then the government can do nothing, for there is no penalty provided. He gets the subsidy, that is all.

Mr. McTAGGART: What did the hon. member say it would cost to build those ships?

Mr. CLARK: It will cost $600,000 apiece; $6,000,000 for the ten.

Mr. DUFF: Does the hon. member say that the government is going to put up $6,000,000 to build the ships?

Mr. CLARK: No. If the hon. member had been here a few moments ago and heard the discussion between the Prime Minister and myself on that point he would not have asked the question.

Mr. DUFF: Yes, I was here.

Sir HENRY DRAYTON: The government only pays a little more than twice that.

Mr. PARENT: That does not make it any clearer.

Mr. DUFF: Will the hon. member answer my question: Does he say that the government intends to put up the $6,000,000 to build those ships?

Mr. CLARK: Most assuredly I will answer the question. What I say is this: The government is giving a subsidy to Sir William Petersen of $1,300,000 odd when he provides the ten ships.

Mr. DUFF: That does not answer my question.

Mr. CLARK: I will answer the question if my hon. friend gives me the chance. I have already answered it, but I will try to oblige my hon. friend. Sir William Petersen or his company will get $1,300,000 odd annually. All he must do is supply a fleet of ten ships, which will cost him $6,000,000. If Sir William Petersen is any sort of financier he can have the ships built on credit and he will not have to put up a cent himself. At the end of ten years he will have received from this country about $13,330,000 and his capital investment will have been only $6,000,000.

Mr. DUFF: Will my hon. friend allow me another question? Suppose three weeks after these ten ships are built and put in operation they are all lost, will Sir William Petersen get the $13,000,000 that the hon. gentleman is talking about?

Mr. CLARK: No, but I presume he will get the insurance.

Mr. DUFF: Yes, out of which he would have to meet the cost of his ships; he would not get it from this government. My hon. friend said he would get it from the government.

Mr. CLARK: Oh, the subsidy might end in many ways. Sir William Petersen may say at any time: "This government is not dealing fairly with me," and he may quit when he pleases without penalty.

An hon. MEMBER: In that event he would not get the subsidy.

Mr. CLARK: It might be interesting at this point to consider the capacity of these ships and what effect this contract will have upon the rates fixed by the conference lines. The total capacity of one of these ships for one season, if engaged exclusively in the carrying of grain out of the port of Montreal, would be a little over 1,300,000 bushels. This is on the basis of four and a half trips a season, on the average, so that the total fleet would carry about 13,000,000 bushels. Now, in 1924 there were shipped out of the port of Montreal about 152,000,000 bushels of grain, and of that amount over 80,000,000 bushels consisted of grain that came from the United States and was shipped out by the harbour commission. So that if we extended this subsidy five-fold, if we gave Sir William Petersen a fleet of fifty ships, the best he could do would be to carry out of the port of Montreal about 65,000,000 bushels of grain in one season. He could not even carry the American grain that goes through that port; with a subsidy amounting to considerably over $6,600,000 a year. Thus if an attempt is made to make the service worth while, a subsidy five times what is now proposed would not begin to meet the case. We might involve this country in the payment of nearly $70,000,000 by way of subsidy, but even at that we could not

move the American grain that annually goes through the port of Montreal.

Mr. MOTHERWELL: Why not make it $100,000,000 while you are at it?

Mr. CLARK: Well, you can make it $100,000,000 in all, and over a period of ten years the Minister of Agriculture will not succeed in moving much more than the total amount of American grain offering for shipment at Montreal.

Mr. MOTHERWELL: Keep on figuring and make it $200,000,000.

Mr. CLARK: I am putting these figures on Hansard; if the Minister of Agriculture sits down and works them out he will find them to be correct.

The Prime Minister (Mr. Mackenzie King) suggested the other day that the government was going to control the situation, that only Canadian commodities would be carried on these ships. Now, let us see what this cast-iron contract provides in that regard. Paragraph (d) of clause 1 says:

> That the control and regulation of the rates to be charged by the contractor shall rest with the government of Canada and that the government shall fix such transportation rates on all commodities from time to time.

There is not one word in this contract which enables the government to say what commodities shall be carried. The government may fix a fancy schedule of rates covering hundreds of commodities; it may fix rates on three or four commodities which may be regarded as favourable to the carrier. Sir William Petersen may under this contract carry those commodities on which favourable rates are fixed to the exclusion of all others, and there is no power on the part of the government to say he must not do that. I am quite prepared to have my opinion on that point submitted to any reputable lawyer in this country, even to Mr. Lafleur, who drew this contract.

Mr. MACKENZIE KING: That is aside from the question. I do not want to interrupt my hon. friend, but does he contend that the government has not the right to fix rates on the commodities?

Mr. CLARK: I am not talking about that.

Mr. MACKENZIE KING: That is the whole point. The government can fix whatever rates it pleases on whatever commodities it pleases.

Mr. DUFF: On all commodities.

Mr. CLARK: Most assuredly; and if the government fixes favourable rates on a few commodities Sir William Petersen may carry those commodities to the exclusion of all the others upon which the government has fixed lower rates. That is the fact, under this agreement.

Mr. DUFF: Will my hon. friend refer to clause (d), in which it says—

Mr. CLARK: I have given it.

Mr. DUFF: Will he refer to it again? He will see it provides that the government can fix the rates on all commodities, not on some commodities. Does that not cover everything?

Mr. CLARK: Certainly; the government may prepare a most complicated schedule covering every known or imaginable commodity, and Sir William Petersen may pick from that schedule the commodities he chooses to carry. He may carry those commodities upon which favourable rates are fixed, and he may do so to the exclusion of those commodities on which low rates are fixed.

Mr. DUFF: No, no.

Mr. MEIGHEN: Why not?

Mr. DUFF: It says "all commodities."

Mr. CLARK: Further, if Sir William Petersen so desires, under this clause he may carry American grain to the exclusion of Canadian grain. I do not say that he will; I do not suggest that at all; but I do suggest that it will be impossible for the contractor or any carrier to distinguish between American and Canadian grain. They are mixed, and Sir William Petersen may carry, and will carry, American grain out of the port of Montreal; in other words the Prime Minister is subsidizing Sir William Petersen in order to relieve the already overburdened taxpayer of the United States by carrying the commodities that are grown in the United States and shipped through the port of Montreal. That is what it amounts to.

Mr. PUTNAM: If the grains are mixed, is not that the utmost physical proof that the government could control the rate on Canadian grain?

Mr. CLARK: I am not talking about rates, but about the Prime Minister's suggestion that he can insist upon Sir William Petersen carrying Canadian commodities to the exclusion of American commodities.

Mr. MACKENZIE KING: I do not want to interrupt my hon. friend, but he keeps referring to me all the time and misrepresenting my point of view. I hope he will not

think if I sit silent that I agree with what he says. By specifying the commodities on which the low rates are to be given, and with the rates fixed by the government, I think the matter would be settled as to carrying Canadian commodities.

Mr. CLARK: Is there a difference between Canadian wheat and American wheat?

Mr. MACKENZIE KING: A very distinct difference. The government will fix a rate for Canadian wheat, and Canadian wheat and no other wheat will get the benefit of that lower rate.

Mr. CLARK: How can the Prime Minister distinguish between Canadian and American wheat? Will he have American wheat come into one elevator and Canadian wheat into another? Must they be kept separate, or is he going to prohibit American wheat from coming into Montreal at all? That is what will happen if he attempts any such thing.

Mr. GARLAND (Bow River): Why does the hon. member pick out wheat alone? We are practically all aware that wheat is not included in the conference rates.

Mr. CLARK: I chose wheat only for the purpose of illustration, and because it is the commodity that probably fifty members to my left are more interested in than any other. I might just as well take half a dozen other commodities.

Mr. LEADER: Take cattle.

Mr. CLARK: I will take cattle, but if my hon. friend will bear with me, I will take cattle when I come to the Preston report.

There is one other paragraph in the contract to which I would like to refer. It is paragraph 1 (f), by which the contractor agrees to:

> Carry emigrants from Great Britain or the continent of Europe at rates to be fixed by the government and carry all Canadian mails free if and when the parties hereto agree upon the establishment of a passenger service or other steamers suitable for the carriage of emigrants in conjunction with and under the control of the shipping company.

Now the Minister of Trade and Commerce, in introducing this resolution, stated repeatedly that there was nothing retarding immigration to this country more to-day than the action of this gigantic combine. The tragedy of this covenant is that there is no provision in these ten ships which the subsidy covers for the carriage of one single immigrant; no provision whatever, and yet the minister as his main point in favour of this subsidy says that nothing is retarding immigration to this country to-day more than the action of this gigantic combine. That is the reason he advances why we should adopt this agreement. There is a real tragedy in this covenant. We have to-day space in the ships which are coming to New York and Montreal for well over a million immigrants a year for Canada. We have space in the ships which call at Canadian ports alone for over 350,000 immigrants to Canada annually; and that space is not being utilized. In the United States, until they introduced their quota law they were securing upwards of one million immigrants a year on these same ships which are still travelling the same routes; but when the quota law came into effect, immigration to the United States was cut down to about 360,000 annually. The United States have now a waiting list of would-be immigrants, probably the pick of the immigrants from the whole of the Mother Country and Europe, sufficient to fill their quota for many years to come, showing full well that there are immigrants who are ready and willing to come to Canada, and to pay the rates at present existing if we have anything here to offer them. The tragedy, Mr. Speaker, is that we have no attractions to offer immigrants to-day; we have the immigrants ready and willing to come, but we have no work for them. The minister says that nothing is retarding immigration to this country more than the action of this gigantic combine. He might just as well say that the exodus annually to the United States of 200,000 of our best young men, upon whom we have spent millions of dollars to rear and educate, the very life blood of this country—he might just as well say that that exodus is due to the action of this gigantic combine. The fact is, Mr. Speaker, that until this country has attractions to offer, we cannot hope to have a free flow of immigrants to this country, and I want to say this to my friends particularly to my left: Until this country has a general tariff equal to that of the United States—and some time my hon. friends to my left will be believers in that—we cannot hope to make this country attractive to immigrants, because we shall have no work to offer them. If we do not encourage industry, and if we do not stop the flow of manufactured goods from the United States to this country, we cannot hope to offer opportunities to immigrants.

Mr. SPENCER: Does the hon. member not realize that in the year 1913, when we had a tariff, conditions were just as bad as they are to-day?

Mr. CLARK: In 1913, in my city, and in nearly every city and town and village of Canada, we all had full pockets, and we had 400,000 immigrants in that year. While I am on that point, let me suggest this to my hon. friends to my left: Supposing we had a free flow of immigrants to this country, supposing that every inch of space in these immigrant ships was taken up, that we had say 350,000 immigrants a year; that would provide a return cargo from the Mother Country which is not being provided to-day. The shipping men complain that there is no return cargo. Well, there is an opportunity to provide a return cargo, and if it is provided—

Mr. MARTELL: If my hon. friend will permit me to interrupt I should like to ask him what the bringing in of immigrants has to do with this question? My hon. friend is a lawyer, he knows the rule, res inter alios acta, as regards evidence.

Mr. CLARK: My hon. friend possibly was not in the House when I took this matter up.

Mr. MARTELL: It has nothing to do with the question.

Mr. CLARK: I was reading from a covenant in the agreement with respect to the bringing in of immigrants.

Mr. MARTELL: I do not speak merely for the sake of interrupting, but I point out to my hon. friend that we are dealing with freight, not with immigrants.

Mr. CLARK: I am dealing now with the covenant contained in this agreement with Sir William Petersen that he will carry immigrants from Great Britain or the continent of Europe at rates to be fixed by the government, and so on. In addition to the argument that the free movement of emigrants into this country would assist all of us in securing cheaper rates on cargo outbound I suggest this: That if we stopped the present tremendous flow of manufactured goods from the United States, we could then negotiate proper and advantageous trade treaties with the other British dominions and with the Mother Country herself, and thus provide infinitely larger return cargoes which would react to our benefit when we were shipping outwards. It is only by filling these ships both ways that we can hope to secure a really equitable distribution not only of cargo but of freight rates.

Mr. CAMPBELL: Does the hon. gentleman realize that a reduction in the duty on British goods coming into Canada would help to fill these ships with return cargoes, and would he be in favour of that policy?

Mr. CLARK: Absolutely no, and I will tell my hon. friend why: My whole argument is to stimulate Canadian industry first. Secondly, having stimulated Canadian industry and having made it possible for emigrants to flow into this country our next duty would be to stimulate trade with the Mother Country, and with the other British dominions as well, by diverting trade from the United States. I will show my hon. friend the great necessity for that. In 1923 our total imports amounted to $802,579,244. Out of that total the United States sent us $540,989,738, while the Mother Country only sent us $141,330,143. Now, what I say is let us divert some of that trade with the United States to the Mother Country. But first of all let us stimulate Canadian industry.

Mr. EVANS: What means would the hon. gentleman use as a stimulus?

Mr. CLARK: I mean just what I said. We should have a tariff on a parity with that of the United States, wherever possible, first of all in order to stimulate Canadian industry, in order to provide employment for our idle workers, and in order to stop the exodus of 200,000 of our best young men annually to the United States. When we do that we will attract other people to our country.

Mr. MacLEAN (Prince): How do you account for the unemployment situation in the United States? According to the official figures last year was the worst year they had in that respect, and there were in the city of Brooklyn alone over 300,000 persons out of employment.

Mr. CLARK: I am not discussing conditions in the United States just now but I will tell you this: In the year of the presidential election there is always depression in the country to the south. If my hon. friend will examine the figures issued by the United States Steel Corporation, or any other great corporation throughout the American union, he will find there has been a tremendous increase in the orders placed with industrial concerns, and there is no longer much unemployment in the United States.

Now, Mr. Speaker, I should like to refer very briefly to the Preston report. I am going to take several statements from that report, chosen at random, for the purpose of showing that that report might just as well be thrown into the waste paper basket and the country saved further expense in giving consideration to the recommendations made therein. On page 3 Mr. Preston says:

> I was in a position to get in touch with all the interests concerned, without unnecessary delay.

Every interest concerned denies that Mr. Preston was ever in touch with it. On page 4 he accuses the Canadian Pacific of having bought out the Elder-Dempster Steamship Company in order to destroy it as a competitor against the interests of the combine. Now, the Canadian Pacific Ocean Steamship service have issued a statement that the Elder-Dempster Steamship Company was purchased long before they were ever a member of the conference. I am prepared to accept the statement of the Canadian Pacific Ocean Steamship service, because I do not believe it would make such a statement if it were not perfectly true. Then Mr. Preston says on page 6:

> According to the records of the Department of Trade and Commerce, a pronounced discrimination was immediately declared against Canadian ports and in favour of American ports as the settled policy of this steamship combine.

I do not know much about rates, but I do know that Canadian goods can reach American ports as cheaply in many instances as they can reach Canadian ports, and yet we find that Canadian goods are exported via Canadian ports despite the allegation that ocean rates from American ports are lower than from Canadian ports. I have not the statement before me but I think it will be found in the form of an answer to a question in to-day's Hansard that during the last two years less than three millions out of nearly three hundred millions of imports from the Mother Country came via Canadian ports. Now if there is discrimination in favour of American ports why would not more of these goods come via those ports? If there is that discrimination why is American wheat not exported via American ports? Why is the port of Montreal chosen? Think of it, eighty million bushels of American grain, more than one-half the total shipment from the port of Montreal, are shipped through that port in preference to New York, or other maritime ports in the United States. Why do we have that situation if the assertion in question is true?

Then on page 23 we find the assertion to which I have already referred, that the advantages intended to be given by the British preference have long since been swallowed up by the increased cost of ocean transportation.

The answer to that was given by my hon. friend from West York (Sir Henry Drayton) years ago and was confirmed by the Dominions Royal Commission page 11. There is a significant paragraph on page 25:

> The conclusion is inevitable that a combine exists between all trans-Atlantic shipping lines running regularly between Great Britain and the continent of Europe and the Dominion of Canada.

You will note that the whole Dominion of Canada is included; yet I say again that the western route has been once more given the go-by by this government. This simply adds to the record of the government's attitude toward British Columbia on the question of the mountain scale, the western grain rate and the customs officer at New York. And now we find in this Petersen agreement no provision for sailings from Vancouver. Judging from the rates charged on wheat from the port of Vancouver, one would take it that if there is a discrimination that discrimination is against the port of Vancouver rather than the port of Montreal. I find that the rates on wheat from Vancouver to the United Kingdom ranged between twenty-two and twenty-six cents for the first part of 1924, and were around nineteen and twenty-two cents from July on. The rates from Montreal to Liverpool ranged from 6.8 to 10.3 per bushel during May, June, July and August; between 8.3 and 9.3 in September; between 9.1 and 9.9 in October and around 10.6 in November. The distance from Vancouver to London is 8,852 miles while the distance from Montreal to London 3,241 miles. This would seem to indicate, as I say, that if there is any discrimination in ocean rates it is as against Vancouver on the western route. But no attempt is made by this government to take care of that situation. One more statement appears at page 26:

> The effect of the administration or operation of the Atlantic steamship combine in connection with Canadian imports and exports is to almost isolate Canada from other ports of the world to which communication can only be secured by ocean route.

The extravagance of that statement needs no comment. There is one other statement which my hon. friend from Portage la Prairie (Mr. Leader) asks me to discuss, and that is the question of cattle shipments. At page 21 the Preston report states:

> The tragedy of the Alberta cattle industry must be largely laid to the determination of the north Atlantic steamship combine to keep the ocean rate at an exceptionally high figure.

I suggest that the tragedy of the Alberta cattle industry must be largely attributed to the determination of the United States to enforce the Fordney McCumber tariff, and I will prove that assertion by the figures. In 1920 the number of cattle shipped to the United Kingdom was 479, the value being $70,200; to the United States in the same year there were shipped 415,956 head of cattle, the value of which was $41,226,445. In 1921 we shipped to the United Kingdom 131, the value of which was $19,350, while to the United States we shipped 221,278, the value

of which amounted to $19,759,329. This shows a shrinkage of considerably over fifty per cent in one year under the operations of that tariff. The next year, with the embargo off,—that is to say, in 1922—we shipped to the United Kingdom 35,418 head of cattle the value of which was $4,139,391 and to the United States 121,060, the value being $3,299,633. In 1923 we shipped to the United Kingdom 25,758 the value of which was $2,809,786 and to the United States 199,272 the value of which was $5,609,998. I come now to 1924, when we shipped to the United Kingdom 59,486 valued at $6,287,815 while we shipped to the United States 98,322 the value being $3,683,836.

That table will show conclusively what a remarkable business was built up in two or three years with the United Kingdom in the cattle trade. It may be quite true that improvements can be made in the matter of ocean transportation; I do not dispute that for one moment. Indeed, I hope that improvements can be brought about; and if the rates are not satisfactory now I sincerely trust they will be made so, in order that the Alberta cattle industry may prosper, as it deserves to prosper, through a substantial trade with the Mother Country. But let us bear this in mind. The British mercantile marine has rendered this country, throughout its history, signal service in building up its trade. It has carried practically all the trade of this country and made it possible for us to become the fifth or sixth greatest exporting country in the world to-day. This is due, I say, largely to the British mercantile marine. Nor can I forget that during the war it made it possible not only for agriculture but for the industries generally in Canada to expand, as they had never expanded before in the history of the country. Once more, it was the British mercantile marine that did duty for Canada when Canada had no ships and no protection for her trade routes. At that time she relied for her mercantile service upon the British mercantile marine, and for the protection of her trade routes upon the British navy. Had it not been for the export trade which Canada was able to build up with the Mother Country in those days the financial interests of this country would have been crushed, and Canada, to use a popular expression, would have gone broke. It was, I emphasize, due to the British mercantile marine and the British navy that we were able to continue our trade and to expand. Now, under these circumstances, I suggest that there is no justification for an open declaration of war on the British mercantile marine on the part of this government. The course suggested by the Dominions Royal Commission is the proper course to adopt; that is to say, there should be a conference between the dominions and the Mother Country and if necessary joint action by all. Certainly, there should be no isolated and foolish action on our part; there should be no attempt to attack with a pea shooter as this government proposes to do by means of the Petersen contract. That is not the sort of action we want; we want action that will display some vision. And the only way we can accomplish anything satisfactory is by means of a conference between the dominions and the Mother Country, in an attempt to solve the question of the control of ocean rates. In my opinion there must be an Empire board if results are expected.

I therefore move:

That Mr. Speaker do not now leave the chair but that it be resolved: That effective control of ocean rates can be exercised only with the co-operation of all portions of the empire, and by a body on which all are represented, and the contract made by the government with Sir William Petersen, based on the report of W. T. R. Preston is ill-advised, costly and futile and unworthy of the serious consideration of this House.

Mr. W. F. MACLEAN (South York): Mr. Speaker, I do not profess to be any Heracles, undertaking some difficult labour like that distinguished hero of Greek mythology, but I have to put my hand to something to try to clear up the situation now before the House. I am impelled to do this by reason of the proposal introduced by the Minister of Trade and Commerce (Mr. Low). I agree with a good deal of what he has said as to a shipping combine known as the North Atlantic Shipping Conference, existing, as it does, to the prejudice of Canadian farmers and shippers generally. The evidence that has been offered here is in the direction that such a combine exists. The Minister of Trade and Commerce (Mr. Low) quoted the hon. member for West York (Sir Henry Drayton), when he was head of the Board of Railway Commissioners, as encountering that combine in England. We have heard the evidence of the Masseys and many other importers and farmers in Canada who have run up against this combine. No matter what is said in the way of justification, I believe absolutely that the shippers of Canada have a grievance against the concerns that are in this combine, this "conference" as it is called —they have a fine, mellifluous, nosegay manner of calling themselves a "conference," but it is a combine against shippers, farmers, manufacturers, indeed, against everybody in Canada who is trying to do business. There have been

a dozen commissions investigating it, over a period of, not one year or two years but ten or fifteen years and this work still continues. Wherever you go, you hear of it.

The government has introduced a proposition to do away with it, and it may be possible for the government to do something to improve the situation. My contention, however, is that the government has not approached the problem in the right way. I am going rather out of my way, perhaps—and this is altogether on my own account—to suggest a way out of the difficulty and to start business and everything else in Canada on the up-grade again. What is my suggestion? It is this, that an effort ought to be made to incorporate the Canadian Pacific Railway and its steamship lines with the Canadian National Railways on fair terms. In that way we would start with a very high-class steamship line, with not only passenger vessels, but freight steamers and lake steamers of all kinds, and we would have something on which we could rely. That is a big proposition, but it is not an impossible one and it is one well worthy of consideration. I am not proposing anything that might be a financial failure. Everybody knows that the Canadian Pacific Railway, with its steamship lines, has been a successful proposition. It has made money from the start. It is a company that has not only a great railway doing a big business, but these steamship lines. It has a huge cash surplus and another surplus of undivided profits out of the land grants it received earlier in its career.

We have before us great problems of every kind and we are trying to solve these problems by creating new companies and making new deals and agreements with people outside this country. That has been tried long enough and we have failed. We propose, however, to continue these experiments in the same direction. I venture to predict that the agreement now submitted to the House will end where the Crowsnest pass agreement ended, it will end in a dispute which will go to the Judicial Committee of the Privy Council and we shall have no relief for years. We must originate something in this country, and in doing what I suggest we shall be doing something towards clearing up the railway situation. Canada has been over-railroaded to death. We have all the roads that have been built in this country one after another for one reason or another during the past sixty or seventy years. We have had to take many of them over, and we have gone into debt in connection with the Grand Trunk, Grand Trunk Pacific, Canadian Northern and a number of other companies. Others wish to impose themselves upon the country. The Canadian Pacific is the complement of the Canadian National if the two can be put together in some fair way. I believe that is possible and I want to suggest to the government that, instead of dealing with the Petersen syndicate, they ought to see if there is not a way of making an arrangement between the Canadian Pacific and the Canadian National to consolidate the two into one system owned absolutely by the people of Canada. As to how that is to be brought about, I am not going into details at the moment but will refer to that later on. Let me point out the immediate and absolute advantages of any such combination.

5 p.m.

As I said, the country is over-railroaded and we want relief from that. Just to show what the extravagance has been in the past—and it has not ended—we hear that the Canadian National, the Temiskaming and Northern Ontario, a provincial road, and the Canadian Pacific are all laying plans to build lines into the new mineral country in Quebec and Ontario. One company could do all that work instead of three lines being built, and great economy could be effected thereby. There are other cases where immense savings could be made. By consolidating the two roads, you cut out all unnecessary services, and what is more important, you re-route the services on the combinations that are available. For instance, you would re-route the great freight lines across the continent and all the local services in all the provinces.

At the present time one road has the best grade here, the other road has the best grade there; one system has the best passes through the mountains, the other the best bridges over the rivers. But if we consolidated these lines and took advantage of the economies that come from re-routing and stopping of unnecessary rivalry, we would save millions of dollars to the people of Canada, and we would at the same time acquire a great railway service and a great steamship service; and the latter would do everything that we seek to accomplish by this contract, and moreover the ships would be absolutely our own.

But that is only a few of the economies that might be effected. How much longer can this country stand the competition that is now going on between the two great systems? I live in Toronto, I go between there and Ottawa every week, and I see the two systems competing for business that one system could handle just as well and save a great waste of money. There are three or four transcontinental trains daily that are unnecessary, probably they are losing money,

and a consolidation would put an end to that loss. As between Toronto and Montreal there is unnecessary duplication of service. The same remark applies to the local services, for example, out of Toronto, where two lines are competing for traffic that one line could handle just as well and with a great reduction in cost of operation.

My suggestion therefore is that an effort should be made to effect a combination along the lines I have stated in order to solve our transportation problems both on land and sea. And undoubtedly our ocean-borne traffic has been held back for many years and the attitude of the shipping companies is a menace to this country. Some people will ask, "Could Canada run a steamship service?" Well, I answer that the officials of the Canadian Pacific steamships, having made a great success of their business, would make an even greater success of such a consolidated steamship service as I am proposing. In a hundred other ways there could be effected great savings, to the advantage of Canada generally and to the building up of our commerce and industry. Unfortunately Canada is to-day affected by pernicious anaemia, in other words, over-railroading. But, by consolidating and developing our own steamship lines instead of attempting to make a deal with an outside shipping company we would benefit the whole country.

When I suggest consolidating the Canadian Pacific with the Canadian National, I am not proposing anything in the way of taking over a non-paying railway. The Canadian Pacific to-day is one of the most successful railways on the North American continent. It has been built up, it is true, after the granting of large bonuses by the government, but it is a success, and if it were incorporated with the Canadian National system to-morrow the consolidation would improve the whole railway and economic condition of the country. A good many million dollars would be needed to finance the consolidation, but in effect it would finance itself. Some people may be alarmed at the idea of our incurring further liabilities. But they are mistaken, the consolidation I propose would carry itself absoluely and would strengthen the railway situation. All we need is courage to go ahead. Unhappily, some people are trying to promote the idea that there should be a continuance of this unnecessary competition in railway and marine transportation. That is wrong. The consolidated railways and the consolidated shipping systems would be a success from the outset, and we would begin to save millions of dollars, and, furthermore, we would begin to build up the country. But instead of taking this course it is proposed to embark on a deal with a shipping company in England over which we would have no effective control, and I fear if the contract is confirmed by parliament it will result in lawsuits and will delay the solution of the problem of ocean transportation.

I appeal to the House and to the government to see if it is not possible to put our own railways and our own steamship lines into one consolidation. To-day the Canadian National railway is one of the greatest public-owned transportation systems in the world, it is rapidly growing into a profitable business, and it has the absolute confidence of the people to-day. That is its great merit. The one flaw in the record of the Canadian Pacific is that it is not owned by the people of Canada. The control of it is not in Canada, it is in the investing public, who make their headquarters in London and New York, and any day that line may pass out of our hands. Now is the time to secure it. If I can read the signs of the times, and I do read some of the propaganda that I see in the papers, I imagine—although of course I have no authority from the Canadian Pacific to make the statement—I imagine that that company would be prepared to enter into a reasonable arrangement for consolidation with the Canadian National, especially if it imposed no real charges upon the people of this country. Such a consolidation would improve the railway service and, most important of all, the road would be absolutely the property of the Dominion. Can that consolidation be worked out? I say it can. I am quite sure that if the president of the Canadian National and the president of the Canadian Pacific sat down together they could conclude a satisfactory arrangement. Really it is very simple, for there are no financial propositions to be taken care of. Indeed, the consolidation takes care of itself, and for the first time it would take from the shoulders of the people the burden of operating lines that do not at present pay.

Some critics would of course raise objections to my proposal. I cannot help that. Let us find out if it can be effected. When it is objected by my critics that such a consolidation cannot be effected successfully, I say that what the Canadian National and the Canadian Pacific have done as two single lines can be done even more effectively when they are combined in one great system. And the same remark applies to the steamship services, especially if supplemented by the Canadian Government Merchant Marine. "Oh,"

other critics say, "Australia has failed in its steamship venture." Perhaps it has, but perhaps it did not have the efficient management which we have and which would ensure our consolidated steamship lines being a paying proposition. My further answer to that is that we have accomplished it so far as the Canadian Pacific is concerned. They can handle a steamship line and succeed, and I am quite confident it could be successfully handled in connection with the consolidated national lines.

Mr. PUTNAM: All government owned?

Mr. MACLEAN (York): All government owned, absolutely. There is another criticism of this course, namely, that if we had only one road in this country we would not be able to handle the labour unions. Well, that objection disappears when you take into consideration the fact that the brotherhoods of to-day, while they do deal with two roads, are united. They will be united, and I am confident that there will be no trouble in that connection. There has been no trouble since the Canadian Pacific achieved its success and since the Canadian National started. The result has been better service, and that would be the case under the new status.

The question may be asked: How could this be done—it is an enormous proposition. The common stock of the Canadian Pacific Railway Company, which is really the only thing you have to consider, is valued at about $300,000,000 and to-day it is paying ten per cent. That common stock could be changed, perhaps, into a five per cent debenture carrying no voting power, which would sell at 120 or 130 in a market like that to-day; it would be one of the great securities of the world. By proceeding in that fashion there would be no great commitment upon the country—nothing like what is involved in the proposal now before the House for the creation of a steamship service.

I want to refer to some of the advantages that would come from this consolidation. I have spoken about the unnecessary competition of two lines when one line would do. There is also the unnecessary competition in getting and retaining business. Does anybody know what the cost of the personnel to canvass for railroad freights in this country is? Has anybody any idea of the law costs in connection with two big systems, one fighting the other? Has anybody an idea of the cost of the propaganda that these two roads are now spending their money on? Practically all that would disappear under the system. Some men might be put out of employment, but these men could be taken care of as regards their wages and still great saving could be made. All I am urging is that the government take this into consideration; I am simply throwing out the suggestion in order that the people may be seized of the fact that it is within the realm of possibility. It would be an ultimate solution of our transportation problem both by water and by land for all time to come. Are we to continue our present foolish over-competition as between these two lines, at enormous expense? Are we to continue building unnecessary lines? I attended the conference where the proposal came up in connection with a railway outlet from the Peace river country. After a great deal of talk there, and after it had been suggested that either the Canadian Pacific or the Canadian National, or both, should build into that country, the conference at last got wise—the Minister of Railways (Mr. Graham) and the premiers of the visiting provinces who discussed the question all spoke of one thing, namely, the necessity for co-operation and the cutting down of unnecessary expense with the ultimate object of reducing freight rates and getting better service. The people are sick and tired of the unnecessary railroads we have in Canada to-day and of the suggestion that they are to be increased and extended for generations to come. Let us stop all that.

Many other savings could be accomplished; I have not time to mention them now. But let me say just here that the decision of this House yesterday marks a new era in the history of our country. After a great deal of discussion the House of Commons decided that they would begin—and properly so—to consider the question of constitutional amendment as the right of this House. I say that was one of the most significant things that ever took place in this country, and an even more significant thing would be to decide upon the consolidation of our railway lines and the taking over of the steamship lines of the Canadian Pacific, thus not only effecting great saving of money but also increasing by three-fold the efficiency of our transportation system.

Now I want to come back to the steamship combine. I am told that my good old friend Aimé Geoffrion is coming here to present the the case of the North Atlantic Shipping Conference. That "conference" is a great word. It reminds me a good deal of the evangelical attitude of men like Gladstone and John Bright in the old days when they were speaking against the opium evil. That same attitude seems to be adopted by these—I shall not call them pirates, but they are pretty nearly that if we are to believe half of what

is said about the shipping combine. Well, Mr. Geoffrion is to come here, with tall black hat, I suppose, umbrella or cane, and white spats, and he is going to tell us in the manner of some of the Englishmen: "Oh, my dear fellow, it is all in the drafting; it is not in the rates." But it is in the rates; it is in the four-ply charges that the people of Canada have to pay in connection with shipping.

I can go to history for an example of a cure for an evil like this. Oliver Cromwell three hundred years ago had under his command during the civil war in England a number of hard riding cavalry men. One day one of his fodder sergeants came to him complaining of the prices he had to pay for the hay, straw and oats which he picked up as best he could from among the dealers in England. Cromwell listened to him and said: "Go back to these men and tell them that I want my penny's worth for my penny." Now, the people of Canada who have this grievance against the shipping conference should say to them, "I want my penny's worth for my penny"—and they will get it. But they will have to get it in some better way than by making a proposition to the Petersen Company, and the way to do it is by a consolidation of the Canadian Pacific with the Canadian National, making the two the property of one company, and putting the management under the two presidents and some members associated with the two lines.

Mr. PUTNAM: Would not that be very long delayed?

Mr. MACLEAN (York): No, it could be done in three weeks; this other proposal will take three years, and we will make no headway. Speaking of how an arrangement of this kind could be worked out, I saw a rather prominent citizen of Canada not long ago who had an agreement to draw. He met the other side; they came to see him from New York, and they brought with them several geologists, lawyers and other experts. But this man said, "No; if you want to make an arrangement with me, I will sit down and draft it," and he drafted it on a single sheet of foolscap paper; and the other fellow said, "That is exactly what I want," and they sent home all the lawyers and experts of various kinds who were there to check over the agreement. I believe an agreement could be drafted between these two great railroad companies in very short order, and once the agreement was drawn up, and the property became the property of the people of Canada, after provision had been made for the interests of the shareholders of the Canadian Pacific, there would be no more disputes over that agreement, and no more going to the courts. We have put off matters year after year; you ought to see the documents that are accumulating. We had brought down to us the other day the judgment of the Supreme Court of Canada in the Crowsnest pass case. Do you think that is going to be settled now? No, the case is going to the Judicial Committee of the Privy Council for settlement, I suppose; and so will this Petersen agreement. But, once we had our own railroads and steamships, and the government took the responsibility of administering them, we could settle all these transportation problems, all these rate and traffic problems right here in parliament. We ought to keep the authority here. We should not have to go to the courts; we should not have to carry all these unnecessary expenses with which the country is now burdened. Not only would there be that advantage, but it would stop all this unnecessary competition, all this waste of money, and we would get a real steamship line, and get it this year.

I say that such an agreement could be closed within six weeks or three months from to-day. I got a card to-day from a prosperity league telling how to build up Canada; they have various proposals, but I say that the one thing that will do more in the way of bringing prosperity in this country will be to stop all this unnecessary competition between the railroads by consolidating these services. Look what you would get, for instance, by the consolidation of the telegraph and express business under one management, instead of two competing all the time for business. The competition may be good, or it may not be; but it is a great waste of money, and we cannot afford it. We must reduce these rates and get some better system. We can spend years from now on in the way we have spent them in the past. The Crowsnest pass agreement, for instance; we have not got anywhere in connection with that yet; there is still a dispute there, and there are disputes in many other directions.

There will be this objection to my proposal, that public ownership is not quite a success these days. I want to answer that, and in doing so I am going to refer to the fact that President Coolidge of the United States, in his inaugural the other day, which I read through very carefully, rather took credit to his administration and to his party that they had got rid of public ownership. Now public ownership as I know it here in Canada has proved itself, and is proving itself, a real success. Who will deny that it is a success with the Canadian National Railways? Who will deny, after the experience we have had in Ontario with public ownership of

hydro-electric power, that it has been a success? It has been a great success. Even in the street car system in Toronto, public ownership has been a great success; and when the President of the United States actually rejoices in his party having got rid of public ownership, I want to tell him that the greatest example of public ownership in the world to-day, even above the railways or anything else, is the national reserve bank system of the United States. That is an absolute public ownership proposition that Canada and Great Britain and the other countries of Europe must come to. There is nothing like the strength and the efficacy of that system, owned by the people of the United States, backed by all the gold, by all the notes, and by all the credit of the United States. That system has been the marvel of the world, and it is absolutely a public ownership proposition. It is true, I got a letter from a banker here in Canada the other day saying: Oh, that is really owned by the member banks. But that is not so. It is owned by the people, and it is able to finance the whole world to-day. It is financing the world to-day in the reparations proposition more than any other country. It does it because of the fact that it is something new, and because it is based on public ownership as against the banking systems which have existed in the past. So successful has the system been that all other countries are going to adopt it. We shall have to adopt it in this country. Its strength, as I have said, is that it is public owned; the credit of all the people of the United States is behind it, and with such a credit behind it, it is finding for all the industries, all the farmers and all the people of the United States cheaper money than there is in any other country. I am not afraid of public ownership.

While the President of the United States in his recent inaugural made this apostrophe, as he did, to the rights of property—and it was a great declamation in that respect—I want to say that five lines of Abraham Lincoln's Gettysburg hymn of freedom is worth ten times that apostrophe. Freedom and public rights are greater than the rights of property. I am not an enemy of property; I am not a Soviet believer or anything of that kind; but public ownership is a new idea, and it is growing. It is the solution of the world's economic problems, probably; it certainly is the solution of the world's problems in regard to financing. I am convinced more than ever that the only way out of our transportation problems is to follow up what was successfully done by the recent government in clearing up all the transportation mess created by the Canadian Northern, the Grand Trunk Pacific, and a lot of other lines. If you do that, and bring in a good line like the Canadian Pacific, you will get in a great steamship line, and get all those steamships within six weeks after the agreement is made. I know there are lots of difficulties that will be raised by members of this House, by the press and by others, but I want the idea to get through the minds of the people, and I believe it will come, that this consolidation offers a real solution of our transportation problems.

I will give the government credit for trying to do something in this direction. They may succeed by this agreement with Sir William Petersen, but there are twenty millions involved in the arrangement. We do not know that it will succeed, we are almost certain that the matter will end in litigation, and that we shall not make any real headway. What I am suggesting of my own volition, as one ordinary member of this House, is to take time, and try and stop this over-competition and over-railroading, all these attempts to attain something that we do not achieve and our failure in which leaves us just as badly off as we were before.

There are hosts of propositions being made, but there has been, as yet, no earnest attempt to arrive at a real solution of the transportation problem. We are asked by the Maritimes to give them special consideration, and they certainly have a claim. There is another madness prevailing in this country, and that is that every port in Canada, whether it is on the Pacific or on the Atlantic, wants to be made an expensive terminal port at great cost to the people. Enormous proposals in this direction await the consideration of the government. We cannot carry out such extravagant projects, we have not the money to do so, and yet these projects are being pressed on our attention by the various provinces and ports interested. Let us concentrate and consolidate our energies in trying to create a first-class transportation system with no frills, no unnecessary lines, no unnecessary officials, or anything of that kind. Let us make a fair deal with the Canadian Pacific company. Let us ask them to come in and sit down with this government and earnestly discuss the best solution of this problem. If we do that I believe that for the first time in our history we shall make some headway. I am sure that the people of Canada will insist on something of that kind being done if it is at all possible. In saying that I am going to leave the question to the House.

As to the amendment proposed I want an opportunity to look into it and possibly I may extend my support to the proposition. But really I cannot see why all these unnecessary expenditures should be incurred without any real assurance that relief will come. I should feel more sanguine if the government could show that they can provide relief, and could name a probable time when it would be forthcoming, in a word if they could guarantee that really effective action would result, and that this combine would be met. I do not believe that the combine can be fought by one single proposal; it must be fought by some system of national co-operation backed by national capital. And one way to begin the encounter is to tell this combine that the people want their penny's worth for their penny. They will then have a little more respect for this country and, after we have made such a declaration they will doubtless be more willing to offer us reduced freight rates. But the desired result will never be achieved in the way proposed. We will never get anywhere, as far as I can see, by that method; we will only get into debt. Relief will not be brought about in that way, neither with respect to this grievance nor the many other grievances of which our people complain. I am not going to enter upon a discussion of the other questions which are associated with this problem—for example the tariff and matters of that kind. I want to get the present situation straightened out before we dissipate our energies in other directions. I want to see a consolidation of the two great railroad systems of Canada, with the betterment in railroading that comes from that consolidation, and the cutting out of unnecessary services. This will go a long way towards providing cheaper and more efficient transportation, and if we get this, improved services will follow. Then the people of this country will experience a glimmer of hope. What they want to see is some kind of a change for the better, and the ending of all this over-railroading, and over-competition. All this kind of thing must stop, and we must also stop creating more ports. I have seen elaborate plans for the creation of new seaports on the Atlantic and on the Pacific which are not needed at present, although I hope they will be established ultimately. I hope the world's business is getting better, and that there will soon be more business for our railways. One essential thing is to arouse a spirit of hope in our people. We must do that immediately. If parliament applies its energies to this great purpose I believe the sun will shine again on Canada, the outlook will brighten, and we will proceed towards a better and more successful career than we have as yet encountered in our history.

Mr. ALFRED SPEAKMAN (Red Deer): Mr. Speaker before discussing the question which is before us I should like to say how much we in this corner of the House appreciate certain of the suggestions which emanate from the hon. member who has just taken his seat. It is a very encouraging sign, it denotes a very cheerful state of affairs, when the nestor of this House, the oldest member of parliament and the oldest member of the Conservative party brings forward from time to time such comprehensive ideas as he presents. I think, Mr. Speaker, that every hon. member has a full realization of the vital import of the question now under consideration. The high cost of ocean transportation has its effect upon the export trade and upon the general business prosperity of Canada. Therefore its possible reduction is a subject of importance to the country as a whole and to each of us who sit here. To none, I think, is it of greater importance than to the hon. members with whom I am associated here and the people whom they represent. It is, I think, an incontrovertible statement of fact that, to a very great extent at least, the costs of ocean transportation rests upon and are borne by the export trade of Canada; and that in proportion as individuals, occupations, and sections in this country contribute to our exportable surplus, in that proportion they must pay their share of the cost involved, and in that proportion are they interested in the possible solution of the problem.

Again, I think the statement will hardly be challenged that a large part of the exportable tonnage of this country originates in and comes from the agricultural sections of Canada that we in this corner of the House more particularly represent. This peculiar interest has been recognized in this House before now. Two years ago, when a special committee was appointed to consider the conditions of the agricultural industry, the question of ocean freight rates was then recognized as having a peculiar application to those conditions. A good deal of the time of that committee was spent in that investigation, in that discussion, and certain conclusions were arrived at and presented to the House in the form of a report. To those conclusions I shall refer later.

Again, during the last session of parliament when the appointment of Mr. Preston was under consideration, a number of us in this corner of the chamber dealt briefly, but I think forcibly, with one phase of the situation, the live stock industry in this country. At

that time we pointed out,—and many of those arguments have been repeated during the present session with additional arguments by the member for Portage la Prairie (Mr. Leader)—that the continued increase in transportation costs as applied to the live stock industry, has had a paralyzing and crushing effect upon that industry, and that if the industry was to survive steps would inevitably have to be taken to deal with the situation thus created. I shall refer to that later.

As I see it, this question resolves itself into two definite parts. First of all there is the question which we must ask ourselves and answer conclusively: Is there a combine?—and when I use that word I mean it in the commonly accepted sense; is there a combine having for its purpose the unreasonable increase of transportation rates to an excessive height, yielding exorbitant profits, and having for its object also a discrimination as between one port and another, one country and another, as well as a restraining of legitimate trade? That is the first question which we must consider and answer. The second question is this: If these conditions are ascertained to prevail, is the method proposed by the government of dealing with the situation sound in principle and adequate in the performance of its functions?

As to the combine itself and whether it exists, this is a question which has concerned us for some time. We have had during the last few years investigation after investigation; we have gone into the subject through commissions and parliamentary committees, and two or three facts at least are definitely established. The first fact which can be considered as having been absolutely proved, inasmuch as the parties concerned have acknowledged it, is that a conference does exist. I am somewhat at a loss at times to say where a conference ends and a combine begins, and I find myself in the same situation as confronted us when we heard eloquent gentlemen in this House discussing the line of demarcation between a convention and a treaty. That question seemed to me, as does this one, to be purely a matter of degree; it is only a question of degree as to how far the conference was in fact a conference and not a combine. The conference taken for granted, what are its legitimate objectives? It may have for its objective the stabilization of rates at a fair and equitable level. It may have for its objective the giving through co-operation of better service. In a word, it may have for its objective the improvement of service, with an increase of profit to itself without inflicting hardship on any of its patrons, by a system of co-operation which will eliminate unnecessary internal competition. That may be. And I do not think that any member of this House, more particularly the members in this corner of the House, who believe absolutely in the co-operative pool system, can take exception to such a condition. I may extend the same principle to our labour friends, who believe in labour organizations for the purpose of ensuring that labour may deal collectively and not individually with the questions confronting it. The same thing applies to our pools. All commercial pools have for their objective the stabilization of prices with an increase of profit to the members of the pool, but without increase in price to the consumer of their goods, and this by means of co-operative methods that eliminate internal competition. That is the purpose of such organizations, as I see it. So that no member in this corner of the House can very well take exception to a conference of any nature so long as its ends are legitimate. The question, however, is whether the conference in this instance operated within legitimate bounds or exceeded their rights. Here is the peculiar danger of a conference of any kind, which must be borne in mind and guarded against at all times; the same weapon and machinery which can improve a service and lower costs can also be used just as effectively for oppressing the people with whom business is done. That is what we must guard against. In the case of the pools I have mentioned, however, that danger does not at present exist, because they deal with such a small part of the world's produce that it is impossible for them to create a monopoly in that direction; and world conditions themselves would automatically prevent these organizations from assuming such an attitude.

Mr. MEIGHEN: Does the hon. gentleman recall that the head of the largest pool, Mr. Stewart, made the claim that the control of the western crop had a measurable effect in appreciating the Canadian price and the general level of world wheat prices?

Mr. SPEAKMAN: I might point out that a government monopoly of that nature, which could enter into negotiations with a buying agency in Europe, stands in a very different position from that of a co-operative pool, which must market its goods in competition with all others.

Mr. MEIGHEN: Will the hon. gentleman say there is no difference between the two? Is there not now control of the western crop, which did not exist before?

Mr. SPEAKMAN: I have pointed out that not only was there a control of the Canadian crop at that time but also a central buying agency. There were not a number of buying agencies competing with themselves for that crop, and there is the difference. However, that was rather a digression. I only wanted to use the pool as an illustration of the statement that a conference is not necessarily a menace so long as it is well regulated. The question before us now is this: Has that conference gone beyond its legitimate purposes?

Mr. MEIGHEN: The hon. member has some reasoning power and I want to follow his reasoning. Is not the point he makes against himself? With a central buying agency, and a control here of the western crop, then, unless there was collusion between the buying agency and the controlling agency here, there could be no increase in prices. But without any central buying agency, and without collusion, the control would be far more likely to increase prices.

Mr. SPEAKMAN: The right hon. gentleman would seem to suggest then, that at that time there was collusion between the buying agency in Great Britain or in Europe and the board here. In that connection I might point out this, that although Mr. Stewart is no doubt an authority, notwithstanding what he may say, popular opinion maintains that, had it not been for the board of control, prices, owing to competition, would have been higher than they were. The question as regards this conference is, as I have stated, whether it exceeded its legitimate functions. So far as we can judge—and we are judging on insufficient data—one thing stands out certain, that since the organization of that conference the cost of the service it renders has immeasurably increased. That is a statement that cannot be challenged; it rests on no report or investigation but on facts within the knowledge of every hon. gentleman in this House as well as of every business man in the country.

At six o'clock the House took recess.

After Recess

The House resumed at eight o'clock.

PRIVATE BILLS

WEST VIRGINIA PULP AND PAPER COMPANY

The House in committee on Bill No. 13, respecting a patent of West Virginia Pulp and Paper Company.—Mr. Jacobs—Mr. Gordon in the chair.

Mr. MEIGHEN: Will the Minister of Agriculture (Mr. Motherwell) be good enough to explain this bill?

On section 1—extension of time for payment of fees.

Mr. MEIGHEN: In the absence of the sponsor of the bill or any member of the government, I move that the committee rise, report progress and ask leave to sit again.

Progress reported.

EDGEWORTH GREENE PATENT

The House in committee on Bill No. 14, respecting a patent of Edgeworth Greene—Mr. Jacobs—Mr. Gordon in the chair.

Mr. MEIGHEN: Has this bill been referred to committee?

The CHAIRMAN: It has been referred to committee and been reported on.

Mr. MEIGHEN: I make the same motion that the committee rise, report progress and ask leave to sit again.

Progress reported.

OCEAN SHIPPING RATES

AGREEMENT WITH SIR WILLIAM PETERSEN—MOTION FOR RATIFICATION DISCUSSED

The House resumed consideration of the proposed resolution to ratify and confirm an agreement between His Majesty and Sir William Petersen, providing for the establishment of a subsidized steamship line and government control of certain ocean rates, and the proposed amendment thereto of Mr. Clark.

Mr. SPEAKMAN: When the House rose at six o'clock, I was endeavouring to point out that, whether as the result of a combine or not, ocean rates in the last few years had risen very materially and, indeed, in many cases to an excessive height. I had also pointed out that this statement was not based upon any report of a commission, but was a matter within the personal knowledge of every member of the House and of every business interest in the country. I might point out by way of illustration one or two of the items upon which those rates have so risen. I will refer first to rates in connection with the live stock industry, not because the increase has been greater on that industry than on others, but because I am more familiar, perhaps, with the effect of the increase upon that industry. As has been pointed out, since 1913 and 1914, rates upon live stock carried overseas have increased from about $7.50 on an average a head to about $20 to $25 a head at the present time.

It has also been pointed out on other occasions that this increase of rates has nullified, to a large extent at least, the advantages we derived from the removal of the embargo upon our cattle entering British ports. It was pointed out this afternoon by the hon. member for Burrard (Mr. Clark) that this was a comparatively minor circumstance, that our true market lying, in his opinion, to the south, the effect of the Fordney tariff and of the special rates imposed on our live stock by the government of the United States was infinitely greater than the effect of any increase which has taken place in the cattle rates overseas. As I said before, I am inclined to agree with that statement to a certain extent; but I should like to point out that because our market to the south has been limited by the Fordney tariff, the imposition of increased rates upon our ocean-borne cattle has become of even greater moment than it would otherwise have been; that, barred as we are from exporting a great number of our stock to our natural market across the line, the development of other markets has become of far greater necessity than would have been the case had that tariff not been imposed.

I would point out another circumstance. This question was first considered and first pronounced upon in 1911, when a move was made by the Dominion government, in furtherance of an agreement arrived at with the United States, to bring about reciprocal trade relations between the two countries, and that had that agreement gone into effect we would not now be suffering to such a tremendous degree by the oppressive action of any ocean combine, if such there be.

Mr. MEIGHEN: Would the hon. gentleman just be a little closer in his reasoning and tell us how he comes to that conclusion?

Mr. SPEAKMAN: If the right hon. gentleman had waited I would have endeavoured to arrive at that conclusion by a logical course of reasoning.

Mr. MEIGHEN: I will wait.

Mr. SPEAKMAN: I was stating that at that time the sympathy now so manifest was not apparent, and that while I cannot say that the hon. member for Burrard was himself guilty, the party of which he is a member was guilty of barring us from our natural market to the south. Later the United States erected the existing tariff barrier against us.

Mr. ARTHURS: Does the hon. gentleman say that that was in consequence of the action taken in 1911?

Mr. SPEAKMAN: If the hon. member will possess his soul in patience I shall answer a good many of these questions when I reach them in the course of my remarks without giving him the trouble of asking them now.

Mr. MEIGHEN: We are very patient.

Mr. CRERAR: That is a virtue.

Mr. SPEAKMAN: I pointed out that since that time the United States had put in force a tariff against our stock which had resulted in a practical cessation of exportation to that country.

Mr. MEIGHEN: The hon. gentleman has missed an incident in the meantime, that after the rejection by this country of the reciprocity treaty the United States' first step was to put in a tariff on stock lower than that provided for in the treaty itself.

Mr. SPEAKMAN: I think that is a statement of fact. But it hardly alters the position which I am about to assume, which is that some years after our rejection of the reciprocity treaty the United States raised the tariff to its present height, forming an effective bar to the movement of our stock across the line. It is purely a matter of conjecture and opinion to say what would have happened had reciprocity been agreed to by Canada. The advantages of that pact may have been so apparent to the United States that they would not have raised their tariff against our cattle.

Mr. ROSS (Kingston): When we had reciprocity before with the United States who abrogated it?

Mr. SPEAKMAN: To what reciprocity arrangement does the hon. gentleman refer?

Mr. ROSS (Kingston): To the reciprocity agreement of 1854.

Mr. SPEAKMAN: I am afraid I cannot follow my elderly friend back seventy years.

Mr. MEIGHEN: Just go back four years, then, when we had reciprocity in wheat and flour; who was it cancelled that arrangement?

Mr. SPEAKMAN: The right hon. gentleman is perfectly correct in his implication. I am merely stating a fact without implication, the fact that it is a pure matter of conjecture what would have been the result in later years had that reciprocity pact been agreed to by Canada, and pointing out that the sympathy now expressed would have been better shown at that time. I further pointed out the fact that through the action of the United States in raising the tariff against our cattle, our market overseas has become of greater importance to us than would otherwise have been the case,

and that consequently the present high rates upon our cattle overseas has become a still greater burden.

Anyone familiar with the cattle industry in western and, I think, in eastern Canada, will admit that whatever justification might be offered by the transportation companies for that increase, the fact remains that it is a crushing and paralyzing burden upon the stock raising industry of Canada, and that any effective measure tending to reduce these excessive rates will be welcomed by those engaged in the industry.

Mr. ARTHURS: Is it or is it not true that the shipping companies have reduced the rates since the United States put an embargo upon Canadian cattle?

Mr. SPEAKMAN: The rates have been reduced since they reached their peak—whether as a consequence of the Fordney tariff or not I am unable to say. On other lines which are familiar to hon. members—I am not going to burden the House with statistics now—the same course has been followed and the same effect has been produced. We have only to read the communications from manufacturing and other concerns to show that the country as a whole realizes that the export trade has been hampered and that an unjust burden has been placed upon it, and that any measure to effectively relieve the situation will be welcomed and will be in the best interests of the Dominion. These facts are so apparent that it is not necessary for me unduly to elaborate the point.

The question, to be concise, is this: whether those rates rose as a natural consequence of increasing costs or whether they were put into effect of set purpose by a combine which controlled them. That is a point that has not been brought out clearly in the report which now lies before us. We may, however, hold opinions upon it; and taking into consideration all the facts of the case—the magnitude of the increases, out of proportion to the increasing costs; the fact that through this admitted conference they had the machinery in their hands to raise the rates to excessive heights; the conclusions arrived at by the special committee on Agriculture sitting two years ago—taking all these things into consideration I can only conclude that the presumption is in favour of the supposition that to some extent at least a combine did have the effect of raising rates beyond a necessary limit.

May I here refer to what I consider as one of the most glaring inadequacies in the so-called Preston report? All these facts were in the hands of hon. gentlemen; they had all been established beyond peradventure during the last year. But what we did want to know, at least what I wanted to know, was this: did the raising of these rates result in undue or exorbitant profits to the companies involved? Upon that point this report throws no light, yet it must be taken into account when any proposal to control or reduce these rates is being considered.

Another inadequacy might be shown. Statistics are placed in this report to show the discriminatory increases put in force by these shipping companies. On page 14 of the report there appears comparative table of shipping costs based upon the mileage and the tonnage. It is clear enough as far as it goes, but there are two or three factors which are essential to a proper consideration of the case but which have not been presented or even touched upon. The first is this: that while it does give a comparison by mileage and by tonnage it gives no inkling as to the class of goods involved. It might be a ton of wheat in the one case and a ton of silk in the other, for all this report shows; and unless the comparison is given between similar commodities as well as between similar tonnage and mileage, it is of no value whatever. Again, this report fails to take into account the percentage of available space occupied on each of these trips from Canadian ports to the Old Country, yet that is an essential factor in considering the costs. Again, it makes no reference to the return cargoes, another point which must be had in mind in that connection. So I think the House will agree that we should not attach too much weight to the report which is before us but that we should rather discuss the matter from the point of view of common sense and ordinary judgment, as well as of those facts which are familiar to all of us.

Having come to the conclusion, however, that excessive rates exist and that those excessive rates have been at least partly brought into being through the efforts of a combine, we come to the question of how that combine shall be controlled and how those rates shall be reduced. A suggestion is placed before us by the hon. Minister of Trade and Commerce (Mr. Low), namely, that a certain line of steamships consisting of ten vessels shall be subsidized by this country with a view to reducing rates. Now, on analysis, what does that mean? I may say in parenthesis that it is impossible to know just what it does mean in the absence of any explanation in the report of the points I have mentioned. Unless it can be shown that exorbitant profits have

been made, of what avail is it to speak of subsidizing vessels in order to reduce the costs? We are on the horns of a dilemma in this matter. If exorbitant profits have been made, what has prevented independent steamship lines, such as the Petersen line or the tramp steamers in different parts of the world, from taking part in this trade and enjoying part of those profits?

Mr. MANION: Or the Canadian Merchant Marine from making good money?

Mr. SPEAKMAN: Yes, if exorbitant profits have been made why has the merchant marine, engaged in that traffic within the conference itself, carrying goods at conference rates, shown a deficit? Is it due to bad management on the part of the officers of the merchant marine? Is it due to some inherent incapacity on the part of the vessels themselves? Or to what is it due? It seems to me that before considering the subsidizing of any other line we should look well into the question whether the merchant marine has been employed to its utmost capacity and in the best possible manner.

I am aware that while on one side of the House the merchant marine has been extolled as a very fine fleet of vessels, modern in their specifications and well adapted to the business of ordinary freight transport, on the other side of the House the position has been taken that those vessels are totally unfitted for the service. Between these two varying opinions, neither backed up by any official statement on the part of shipping experts, what are we to think? Are we to suppose that the reason that the merchant marine has not been developed to its whole capacity and has not been used as it should have been is due to a desire on the part of hon. gentlemen on the government side that no vessels built under the auspices of a Conservative government shall succeed? Is the praise bestowed upon this merchant marine by gentlemen to my right due to the fact that it was under the auspices of their government that these vessels were constructed? Or to what may these divergent opinions be due? I do not know. But I do know this: that if these vessels are at all adequate to the service they should have been used to demonstrate the actual costs of ocean transport.

Mr. MEIGHEN: I do not want to lie under the implication of seeking undue credit. I may inform my hon. friend that hon. gentlemen opposite supported just as enthusiastically as ourselves the building of these vessels, as well as the type of vessel built.

[Mr. Speakman.]

Mr. CAHILL: Not at all. It was put through by closure.

Mr. SPEAKMAN: I will leave that to be argued out between those on the government side and my hon. friends to my right. The fact remains that these vessels are in existence and that an honest and thorough trial should have been given them, in my opinion, to ascertain whether or not they were fitted for the service; to ascertain through their use, before a subsidy was proposed, what the actual cost of ocean transport was. And while I am speaking of the proposed subsidy, may I say this: The people in my part of the country have always been dubious about the granting of subsidies. We in this country have had some unhappy experiences in the granting of subsidies to private corporations or companies supposedly for the public welfare. We have found that while those subsidies were welcome and of benefit to the companies and corporations themselves, they seldom resulted in real benefit accruing to the country, and therefore, as a matter of principle, in the light of history I would be very dubious of this method.

The question then presents itself as to what effect these subsidized vessels would have upon our present situation. The proposal is that ten vessels of a modern type and of fair capacity shall be subsidized and used in this service, and that if this proves a success the system may be extended to include more vessels of perhaps a similar type. I want to point this out: In the first place, unless it is proved that exorbitant profits are made, what does this policy mean? It means that the government as a part of government policy will be going into the business of paying part of the necessary cost of transportation by subsidy derived from taxing the people. That may sound absurd, and yet it is logical. If the profits are not exorbitant, it simply means there will be no combine breaking; there can be no reduction of rates through this action, for to be effective the subsidy must be applied to all of the vessels engaged in our ocean transport, and in effect the subsidy must pay part of the necessary costs of that transport. Mr. Speaker, before we adopt such a policy I think we should consider well.

There is another point in that connection. The statement has been made, and I think it was a correct statement, that this proposal was suggested as much for the benefit of our manufacturing industries as of agriculture; that is a perfectly proper state of affairs. No one is asking for a policy which shall be of benefit to only one section of this country or to only one class in this country. But the question

then arises, in what proportion may these various industries take advantage of these proposals? Can the cattle industry, for instance, derive any great advantage from these proposals? I do not think so, for the simple reason that the bulk of our cattle are shipped in a comparatively short season, a large portion of them being cross-fed stock, and the percentage of those cattle that could be carried on these ten vessels would thus be very, very small. So much for the cattle industry.

What about the grain industry? The amount of grain that could be carried by that number of vessels would be trifling, so trifling indeed as to be hardly worthy of consideration. And again, is grain suffering from the effects of the conference? I hardly think it is. If you take the grain rates charged on ocean transports during the last term of years, you will find that in each of those years there has been a great fluctuation as between the charges of one cargo and the charges of another. No stabilization of rates there. You will find, moreover, that the average increase since pre-war days has been comparatively small as compared with the increase in other lines of industry; and for another reason the very nature of the freight itself makes it impossible for it to be taken over by any combine. I am not relying upon the philanthropic intentions of a combine to safeguard any industry. I have not that high opinion of our steamship companies, valuable though they may be, that is possessed by our friend from Burrard (Mr. Clark), who felt that the shipping men themselves were of such high calibre and were so patriotic in mind that they would not, even if they could, take advantage of any conference; I am not suggesting that at all. But what I am suggesting is that the very nature of the freight, the fact that in many cases it is moved out as distress or ballast cargo, the fact that it is a class of freight that appeals to and can be carried by any tramp steamer that comes along, renders it impossible for any combine limited to liner freighters to effectively control grain rates.

Then what have we left? We have dairy products, fruit products, and some smaller products, which though smaller still form a very important part of our ocean traffic; and in these lines, I believe, it is quite possible that agriculture would receive its share of benefit. But I wish to point out this: One of the obvious reasons why rates are high is because we have so little return cargo; I think that is so obvious that it does not require stressing. Now why have we so little return cargo? One of the reasons is the fact that we have a tariff which places a restriction on imports. And then what is the situation so far as our manufacturing friends are concerned? We have in this country a tariff placed there as a matter of public policy, but placed there in accordance with the wishes and desires of the manufacturers of this country, and held there because of their wishes and desires, and, as they express it, because of their interests. Through the operation of that tariff, indeed that is its purpose, the prices to the consumer at home are increased; and now we have the proposal that these same manufacturers shall receive a subsidy from the public treasury to remove from them the handicap placed there at their own request. It is a peculiar situation to my mind, and it is still more peculiar when you consider this effect; that the very same people who now pay the increased cost of goods at home will through taxation pay their share at least of that subsidy. I think it is a most peculiar situation. However, that is merely in passing. I have no intention of being diverted, as some hon. members have been diverted, into discussion of the tariff at this time, but I wished to point that out because in this connection it has a direct bearing on the question. I would also like in the same connection to point out, as has been done by other hon. gentlemen, that a logical method of increasing our return cargoes, and thereby decreasing the cost of ocean transport would be to substantially increase the British preference or to wipe out altogether the duties against British goods. I am quite certain that in taking such action the government would find themselves supported unanimously by the members with whom I am associated.

Now what other weaknesses may be apparent in the proposal of the government?—and in discussing this question let me say that I am endeavouring at least to express opinions that are sincere opinions. I am not endeavouring to make this a political issue. There is nothing that this country would so strongly resent as to have any member of parliament or any party in this House make of this tremendous issue a political football. There is nothing that would so redound against a member or a party as such tactics. This is a business question. It is a question which affects business solely. It is a question which can only be settled satisfactorily upon absolutely business grounds, and a question which can only be settled upon business grounds when we are in receipt of the necessary information upon which to act. In speaking on this question I am endeavouring, from my point of view to impress upon this House the objections which we honestly hold. We

have another objection to this particular method, which has been largely voiced by hon. members to our right, and it is this: That the agreement as brought down does not give adequate control on the part of this government. It does definitely stipulate what this government shall do, and what this country shall do—it definitely states what assistance shall be given by ourselves—but it does not definitely state, in my opinion, under what conditions the ships themselves must operate. For instance the contract does not state, although it may be implied, what commodities shall be carried at reduced rates. It is left to the discretion of one party or the other; it is left to the discretion of the steamship company itself or with the government. I do not consider that is a healthy state of affairs. I think if an agreement is entered into it should be made so clear and so binding, that not only are our obligations set forth but also all the obligations of the other party of the contract. It does not state, for example, the numbers of sailings that must take place. It does not state that there must be sailings at any given intervals. It does not state how many sailings there must be in the course of a year—it simply states that so many vessels must be employed. Thus if vessels were laid up and were not giving the service the subsidy would still continue, and to my mind that is something which must be considered. We are not criticizing this method because we object to control. We are giving the government credit for having taken cognizance of the seriousness of the situation, we are giving them credit for having brought forward some measure which would suggest relief; we are giving them that credit, but we also feel that the method suggested is inadequate.

Mr. MACKENZIE KING: Would my hon. friend suggest a better method?

Mr. SPEAKMAN: I will come to that in a moment if the Prime Minister will permit me. Therefore, what action can this House take? It seems to me, Mr. Speaker, that the only reference it logically can take is the reference to a committee. But in that connection may I point this out: When the Minister of Trade and Commerce (Mr. Low) made that suggestion we felt that it was a reasonable one. He suggested—and I think I can use his own words—"that it be sent to a special committee who should have the power to ask questions and make suggestions". And may I say, in passing, that asking questions and making suggestions is one of the best things we do.

[Mr. Speakman.]

Mr. SUTHERLAND: Did the minister not state that it was a cast-iron contract which could not be changed in any particular?

Mr. SPEAKMAN: I think the hon. gentleman is attributing the statement to the wrong minister, and is also anticipating what I am about to say. If this committee is empowered only to ask questions and make suggestions, if there is no intention of putting any of the suggestions into effect, then I say the committee would be a mere farce. And yet what are we to think? The statement was made by the Prime Minister—and I must say I listened with some apprehension to it—that this agreement must stand as it is; that it is susceptible of no trimming—to use the exact words of the right hon. gentleman. Now, Mr. Speaker we know the elasticity of the word "trimming". When your butcher trims your roast he removes any objectionable fragments. When the milliner trims a new chapeau for the madam she adds a touch here and a feather there with entrancing results. I am sorry the hon. member for Lunenburg (Mr. Duff) is not in his seat at present because I look to him for some assistance when in deep water. I understand that in navigation you "trim your sails" thereby coming a little closer to the wind. But this agreement cannot be trimmed.

Mr. MACKENZIE KING: May I ask my hon. friend if he thinks it is a correct method to enter into a contract with other parties and make that contract subject to all kinds of change? The contract is subject to the approval or disapproval of parliament; that is the object of referring it to a committee. If the committee, after studying the contract and hearing all the circumstances, come to the conclusion that it is not in the public interest it is not only their privilege but their duty to so inform parliament and throw the contract to one side. But if, after having heard all the circumstances, they come to the conclusion that the government has acted wisely in making the contract I do not think they should find fault with the government in having first taken the only step that was possible to get a contract and to carry out the wishes of parliament.

Mr. SPEAKMAN: I hardly think the Prime Minister has quite caught my point.

Mr. MACKENZIE KING: Yes, I have.

Mr. SPEAKMAN: I quite appreciate that the committee has the power to report for or against this agreement, but I appreciate also the fact that in view of the statement of the right hon. the Prime Minister the committee

has not the power to modify any of the conditions made.

Mr. MACKENZIE KING: I am afraid my hon. friend does not get my point which is that the government would not have had any contract at all to place before parliament if it had adopted the method he is suggesting. There are two parties to a contract when entered into and it must be understood that if it is subject to approval there it stands. You could not get another party to enter into a contract with you and agree to carry it out, if you made it subject to alteration or change at the will of another party.

Mr. SPEAKMAN: Then I merely wish to point out this further fact: In view of that statement, in view of the fact that the committee only has the alternative of accepting or rejecting in toto the agreement as presented, then the usefulness of that committee will be very small.

Mr. MACKENZIE KING: I would point out to my hon. friend that it is quite possible that the committee might recommend certain changes. Those changes would have to be subject to the approval of both parties, but that does not prevent the committee from recommending changes if it thinks alterations should be made. What I want to make clear is this: The government could have made no contract with anyone, with no responsible person whatever, without undertaking to say that the contract if submitted for approval as it stood should not be changed except with the consent of both parties.

Mr. SPEAKMAN: I quite appreciate that fact. I appreciate the fact that in entering into a signed contract the wishes of both parties must be considered and that no change can be made without the consent of both parties.

Mr. MACKENZIE KING: That is what I am arguing.

Mr. SPEAKMAN: I quite appreciate that fact, I appreciate also that unless the government is willing to give every consideration to any suggestion, that it is willing to withhold the contract until suggestions for modification have been made, and then enter into further negotiations on the basis of those suggestions, if thought wise by the committee, the committee can be of very little value.

Mr. MACKENZIE KING: I will say at once that the government will not only do that but will be very glad to welcome particular suggestions.

Mr. MEIGHEN: Then the government does not stand or fall by this contract?

Mr. MACKENZIE KING: The government stands or falls by the contract most decidedly so, but the government will be quite prepared to discuss with the other party to the contract any suggestions which the committee may make, and we believe that the other party to the contract will be just as reasonable as the government when what is proposed is in the public interest.

Mr. MEIGHEN: That is not standing or falling by the contract.

Mr. SPEAKMAN: I must confess that the explanation of the Prime Minister has not made matters much clearer. It may be that the fault is in my mind, it may be that the obscurity is in the explanation; but I do wish to point out that if this is introduced as a government measure, and if, as stated, the government must stand or fall by the acceptance or rejection of this agreement in its present form, then the government is not in a position to receive suggestions nor is it in the position to even discuss a modification of the agreement. As I understand it, the government's statement, by which they are prepared to stand or fall, is that you may add nothing to the agreement, take nothing from it, nor bring it any closer to the wind, so to speak. Therefore we must consider that the contract partakes of the nature of the law of the Medes and Persians which cannot be altered.

Mr. MACKENZIE KING: My hon. friend is usually very reasonable in these matters and I do not think he desires to misunderstand me. In fact, our points of view are similar if not identical. This is a contract between two parties and it may not be altered except by the consent of both. The purpose of the government in referring the matter to a committee is to get the committee's approval or its disapproval of the contract. If the committee disapproves of the contract in its present form and has recommendations to make regarding it, the government will certainly consider such recommendations and will be pleased to take them up with the other party to the contract. As I have already stated, the other party to the contract, I believe, would be just as reasonable and just as desirous as the government to meet the wish of the committee with respect to any change that was thought advisable. If, however, the other party to the contract should not be agreeable to this, then it would be the duty of the government to stand by the contract in the form in which it is. But once

the matter is brought before the committee and the committee has the fullest opportunity of considering it from all angles, there will be time enough then to consider whether or not the recommendations of the committee may be such as both parties could accept.

Mr. SPEAKMAN: As I see the situation, then, the government will stand or fall by this agreement but they will be prepared, with the consent of the other party, to modify it upon the basis of such recommendations as may be submitted by the committee. May I say this, that the good faith of the government in this matter will be tested, first, by their willingness to refer this matter to the committee before a definite pronouncement is made in the House and before the House commits itself to the contract.

Mr. MACKENZIE KING: The House cannot commit itself to the contract until all three readings have gone through. When the minister brings in the bill, it will be referred, immediately after its second reading, to a committee which will discuss it before it is brought into the House.

Mr. SPEAKMAN: A bill after it has had its second reading is accepted in principle; the principle of the bill is accepted when the House agrees to its second reading. So that parliament, having accepted the principle of the bill in this instance, the bill itself could not be subject to any severe modifications on the part of a special committee.

Mr. GRAHAM: I would point this out to the hon. gentleman. A railway bill, for example, gets its second reading and is referred to a committee. That committee has the power, and often exercises it, to throw the bill out altogether.

Mr. MEIGHEN: Does the minister know of any railway bill or of any other bill embodying a contract, which a government has made, which has ever been altered upon a recommendation of any committee? Does he know of anything of that kind in the history of any parliament?

Mr. GRAHAM: I have known railway bills to be introduced into this House—

Mr. MEIGHEN: That is not the point.

Mr. GRAHAM: That is the point, exactly. My hon. friend is afraid because he knows that I have him absolutely in a box. A railway bill gets its second reading and is referred to a committee and time and time again the committee has made changes in such measures.

[Mr. Mackenzie King.]

Mr. MEIGHEN: I did not say to the contrary.

Mr. GRAHAM: It can make changes in a bill, and only when a bill gets its third reading is it a contract with the parliament of Canada; not before.

Mr. MEIGHEN: Does the minister think he has answered my question?

Mr. GRAHAM: Certainly; my hon. friend does not know what he is trying to get at.

Mr. SPEAKMAN: If this debate on the side is concluded I shall proceed. I simply wish to emphasize again the fact that the good faith of the government will be tested, first, by their willingness to submit the bill to a committee before this House necessarily endorses the main principle of the agreement.

Mr. MARTELL: Would not the principle of the bill be approved by the House, after which the bill itself would go to the committee for the purpose probably of fixing the terms based on that principle?

Mr. SPEAKMAN: In the second place, the good faith of the government in this matter will be shown by the facilities which they afford the committee to obtain all the information necessary to deal with the subject. And thirdly, the good faith of the government will be evidenced by their readiness to consider, and consider favourably, the suggestions advanced by that committee in the light of such information as it has received and after adequate discussion of the whole matter.

Mr. LAPOINTE: Would the hon. member repeat what he defined as the first test of the good faith of the government? I did not understand it.

Mr. SPEAKMAN: Let me point out for the information of the Minister of Justice (Mr. Lapointe) just what the position is of a good many members in this House on this question, at least as I see it. We are satisfied, many of us, that through the efforts of a combine, together with natural causes, rates have increased beyond the normal and satisfactory point. Further, we are satisfied that some method must be devised of dealing with the situation and settling it. But many of us are not satisfied that this particular method which is proposed is the best that could be evolved.

Mr. LAPOINTE: The hon. member says that the good faith of the government will be tested by sending this bill to a special committee, without asking the House to commit itself to the principle. What does the hon. gentleman suggest? I am sure the govern-

ment will be prepared to meet his views, and if he wants we can send the bill right away, to-night.

Mr. SPEAKMAN: I am suggesting that this committee should be given an opportunity to receive all the information necessary—

Mr. LAPOINTE: That is the third point; but what is the first?

Mr. SPEAKMAN: I say that the committee should receive all the information necessary to come to a satisfactory conclusion on the subject; that it should have an opportunity to examine into the absolute authenticity and accuracy of the report that is before us as well as of others, in order to ascertain whether or not exorbitant profits have been made; that it should have an opportunity to consider the attitude displayed by the British parliament and such action as may be adopted by the other dominions;—in short, that it should have an opportunity to take all these things into careful consideration in deciding the best steps to be followed. And after all this was done the committee might come to the conclusion that some other method was better than the one now proposed, and might suggest it. That is what I meant when I made the first statement. If the committee is given, as far as it can be given, a free hand to suggest the alternatives which have been asked for and which I am not prepared to suggest, not having the information before me that is essential if one is to suggest anything reasonable; if the committee, I say, is given an opportunity to study the question throughly and make suggestions, even though they take some other form than the present, then I should say that this was a real test of the good faith of the government. I do not say it would be necessarily a test of the good faith of the government as applied to this particular agreement, but of the good faith of the government in endeavouring to settle the question on the best possible basis, a basis which is not political, which has nothing to do with subsidies to one man or another, which has nothing to do with friends or with favouritism, but a basis that will appeal to the business sense of the country as one calculated most effectively to reduce the cost of ocean transportation.

Mr. LAPOINTE: Has the hon. member any other method to suggest than first submitting this resolution to the House? Is there any other way of bringing the matter before parliament than by introducing a resolution?

Mr. SPEAKMAN: I have no quarrel with the government on the score of introducing this resolution, if it acts on a suggestion of one of its members that the matter be referred to a committee in the form of a bill, without the House being asked to commit itself to the principle of that bill. That is a different situation.

Mr. MACKENZIE KING: My hon. friend knows that bills before going to committees pass a second reading. So far as this bill is concerned, the principle is the desirability of controlling ocean rates, and that is all that the House commits itself to on the second reading. It commits itself to the desirability of controlling ocean rates, subject to the approval of parliament. When the Minister of Trade and Commerce (Mr. Low) introduced his resolution, he stated the position of the government, that as soon as the second reading of the bill was over, the government intended to refer the bill to a committee so that it might consider and discuss whether or not the proposed contract was acceptable. I think that makes the position of the government clear. I want to be perfectly fair with my hon. friend. I do not want him later, when the second reading comes along, to say that the government has broken faith. I desire to point out just this, that the government is very anxious to have the committee investigate the agreement, and it is taking the one step it thinks necessary to arrive at that committee stage as soon as possible.

Mr. SPEAKMAN: If I understand aright the statement made by the Prime Minister, the principle to which the government adhere and by which they stand or fall is the principle of reducing the cost of ocean transportation by any method which will be proved to be the best method.

Mr. MACKENZIE KING: I would use the word "control".

Mr. SPEAKMAN: Or control. The principle to which they are committed and by which they must stand or fall is not the principle embodied in the agreement itself, but rather the principle contained in the preamble to the agreement which states that it is necessary or proper to reduce rates.

Mr. MACKENZIE KING: The government has made it perfectly plain, for example, to Sir William Petersen that the contract does not go into force unless it is approved by parliament. The government might have drafted a contract and said: We will stand or fall by this contract passing, because we have pledged ourselves that it is going to pass; but that is precisely the course which we did not

take. We were careful to tell Sir William Petersen that we knew very well that there would be gentlemen in this House who would object to any contract being formed; that the government was prepared to enter into a contract on certain conditions, but one condition was that the contract must be subject to the approval of parliament. If parliament does not approve the contract, it will not be entered into. But as regards the government being committed to a policy of desiring to control ocean rates, that is a policy to which we are committed and we think it ought to be adhered to by this House.

Mr. RYCKMAN: Does the government approve the contract?

Mr. MACKENZIE KING: The government would never have signed it if it had not approved it. We believe, when this matter is referred to the committee, that the committee will approve it also.

Mr. MEIGHEN: But if not, the government will change it to suit the committee.

Mr. MACKENZIE KING: If not, the government will do the best it can to try to bring in a measure in accordance with the general will of the House. In that respect we differ from my right hon. friend.

Mr. SPEAKMAN: The situation is considerably clarified now in this second statement—and I am sure it is a statement welcomed by many members of this House—that the policy by which the government stands or falls is not a policy of subsidizing this or any other line, but a policy of controlling by the best possible method the cost of ocean transportation; that the committee will be empowered to make suggestions and if the committee reports and suggests what, in its opinion, is a better method of controlling ocean rates, the government may then adopt the suggestion of the committee in preference to the resolution before the House, without in any way imperilling its own position.

Mr. MEIGHEN: It will not do that.

Mr. SPEAKMAN: I think the members of this House will agree that that is about as fair a statement as can be made under the circumstances. That has largely met the point which I first suggested as to testing the good faith of this government.

Having reached that point and having elicited that statement, I think I can very well come to a conclusion. I wish to conclude simply by making this statement, and I am speaking rather generally now, because after all, this is a subject with which we can deal only generally at the present time. The general statement is this: I and other members have been asked to suggest an alternative. It has been pointed out that we have criticized and criticized severely, perhaps, in the opinion of hon. members opposite, unjustly, the provisions of this agreement and the principle of this contract. If we were in a position now to offer a satisfactory alternative, we would not be supporting the demand that this should be sent to a committee. We realize that whatever information the government may have upon those points which I mentioned and other important points, this House does not possess that information, and any alternative presented unintelligently, without due consideration of all the business facts involved in an exceedingly difficult and complex situation, would be an alternative without value. For one, I am not prepared to offer an alternative unless I have studied the question and understand what that alternative will imply in all its bearings. May I say further—and perhaps in saying this, I am repeating to a slight extent what I said before—the public generally, I think, believe that this is a question which must be considered and solved, but it must be solved in such a manner that the solution itself will not bring about greater difficulties than now exist. We have had examples—and I am making no particular reference—of legislation introduced to solve some problem, which legislation has resulted in the enhancement of that problem or the creating of other and greater problems. We must avoid that, and we can avoid that only by having ample access to all the facts that are necessary in order to reach a successful solution. The government might have adopted the attitude that they were in possession of all those facts and that, on the authority of those facts and on their own responsibility, they have introduced this measure. I am glad to see that they did not take that attitude. But this House in ratifying any agreement, in supporting any solution, must incur a measure of responsibility itself. Every one of us, whether we support or oppose any suggestion, must take our own individual responsibility for that action. We must realize what may be the result of that action.

In that connection, may I make just one reference to the amendment which has been introduced? I speak of it with diffidence as it has been introduced so lately into this House that I have not had time to consider it fully, and so I make no definite pronouncement of opinion in that regard. The weakness I see in it at a casual glance is this: The suggestion as to joint action between the various dominions and the Mother Country

may be a sound suggestion. That is a matter which must be considered. But the amendment in its own terms precludes the possibility of this or any other suggestion being considered by the committee. To accept this amendment—and I am not absolutely certain whether I shall accept it or not—would mean that we would commit ourselves to a particular line of action, a particular method of dealing with the situation, without having before us information whether that line of policy is the best or not. There to my mind is the weakness. The committee itself, in possession of all those facts, might recommend such a solution as has been offered by the hon. member for Burrard (Mr. Clark). On the other hand, the committee might recommend some other solution which might be more effective. Again, I reiterate that the weakness of the amendment lies in the fact that it precludes the obtaining of that necessary information and foundation of facts on the part of this House.

In conclusion, there are many points to consider in connection with this matter. The attitude assumed by the British parliament in discussing this question must be taken into account. A few days ago I read a brief despatch in the Manitoba Free Press in which it was pointed out in the British House that this same Petersen had been guaranteed by the Service committee a bonus of some £600,000 for the construction of these same vessels, and it was further intimated that as a result of the action on the part of this government that guarantee would be withdrawn. Now, I want to ask hon. gentlemen if it would not be wise, before committing ourselves to a policy of expenditure, to consider, in the first place, whether Sir William Petersen might receive a bonus on the one hand and a subsidy on the other, and so be placed in a very enviable position indeed.

Mr. MEIGHEN: Unenviable?

Mr. SPEAKMAN: Enviable. If he received a large bonus from the British parliament and a large subsidy from the Canadian parliament I think he would be in a very enviable position indeed. All those points must be considered by the committee and dealt with upon their merits in reaching a decision. Personally I am not unalterably opposed to this contract, if it is proved beyond peradventure or doubt that this is the only possible method, and that there is some hope of its being successful. I realize that while the principle is unsound, the cost great and the value dubious, yet sometimes desperate diseases require desperate remedies; and I think this might be considered as falling within the class of desperate remedies.

Mr. MACKENZIE KING: Would it help my hon. friend in clearing up what he has in mind if Sir William Petersen were asked to come out and appear before the committee? If so, I think we ought to send him word at once and I imagine he would be very glad to come.

Mr. SPEAKMAN: I think it would be for the committee to say what witnesses they want to call. I should think that the members of the committee would request the attendance of all witnesses whose evidence would be of any value.

Mr. MACKENZIE KING: My hon. friend must realize that Sir William Petersen is a busy man, and therefore if he is to be summoned to appear before the committee I think it would be advisable to let him know immediately and ask him to arrange his plans accordingly. I am trying to oblige my hon. friend by assuring the attendance of Sir William when the committee is ready to take his evidence.

Mr. SPEAKMAN: I appreciate the kindness of the Prime Minister, but as a private member I have no authority to request that any witness be brought before the committee.

Mr. MACKENZIE KING: Yes you have, as a member.

Mr. SPEAKMAN: The committee itself must decide what witnesses it will summon to appear.

Mr. MACKENZIE KING: My hon. friend as a member of this House not only has authority, he has responsibility to see that the right people do appear before the committee.

Mr. SPEAKMAN: If the Prime Minister wishes my individual opinion, I should very much like to hear what Sir William Petersen has to say in the matter, I should also like to hear what Mr. Preston and what the representatives of the companies attacked by Mr. Preston have to say. In fine, I should like to hear both sides so that any opinion I form may be based upon as accurate a knowledge as possible of all the facts and circumstances of the case.

Mr. MACKENZIE KING: I undertake to tell my hon. friend right now that the government will immediately ask Sir William Petersen to be here; it will also expect Mr. Preston to appear before the committee and the representatives of all the companies mentioned in his report.

Mr. SPEAKMAN: I am very glad indeed to receive the Prime Minister's promise, and I appreciate it the more in the light of certain evidence which was placed before this House by the Minister of Trade and Commerce (Mr. Low) in discussing the costs of transportation incurred by vessels of the type proposed by Sir William Petersen, and in stating what profits were to be expected under existing rates—because I wish to point out to hon. gentlemen on my right that when they discuss the enormous profits to be made by the Petersen Company under the contract they neglect to take into account that the profit of £3,000 per voyage is based on existing rates, the very rates that must be lowered when the agreement comes into effect—in stating those profits the minister quoted a letter from Mr. R. B. Teakle, apparently an expert connected with the Canadian Government Merchant Marine, endorsing Sir William Petersen's statements as to costs. I would point out that Mr. Teakle was careful to observe that as to wages to be paid the crew, insurance on the vessels, and the manner in which redemption and depreciation are to be taken care of, and also the oil consumption, he could not check these points without going so closely into the proposition as might necessitate inquiries to be made, but he had no reason to think that the figures were materially out of line; and that also as Sir William Petersen had furnished no plan of the proposed vessels he had had to work on the general details given by that gentleman. In other words, he was not able to verify the four main items of expenditure and the specifications of the ships. So it seems to me that this endorsation is worth about as much as the paper it is written on.

Mr. LOW: But he also said that he did not doubt the figures of Sir William at all.

Mr. SPEAKMAN: He also stated that as far as accurate knowledge went he was dependent upon the statement issued by Sir William Petersen himself. That is one reason why I certainly would be glad to see Sir William Petersen appear before the committee to verify the statements and figures furnished to Mr. Teakle.

I think, Mr. Speaker, I have taken up sufficient time of the House. My few remarks have not been in vain, as now we understand perhaps better than we did before the attitude of the government and what its policy is in this case.

Mr. MEIGHEN: Could the hon. member define it in his own words?

[Mr. Mackenzie King.]

Mr. SPEAKMAN: For the present I shall defer my judgment on the amendment because I have not yet had time to consider it. On the resolution itself I shall also defer my judgment, because I wish to make it absolutely clear that no matter what method is adopted of bringing this subject before the committee, no vote of mine shall be interpreted as committing me to support this method of dealing with the situation. I base that statement upon the Prime Minister's explanation of the circumstances of the case. Further, I would state that in voting for this I am voting in accordance with the expressed intentions of the government to reduce or control ocean transportation rates, nothing more and nothing less, and when any method comes before this House for final ratification I shall deem myself free to vote in support of or against it as at the time my judgment shall dictate when in possession of all the facts.

Mr. MACKENZIE KING: Hear, hear.

Hon. W. R. MOTHERWELL (Minister of Agriculture): Mr. Speaker, although this debate has only continued into the evening of the second day, it has cleared the air considerably compared with the first day. On that occasion the official opposition had grave misgivings as to whether there was any grievance at all in respect of ocean freight rates. The hon. member for Vancouver Centre (Mr. Stevens) intimated that if there was a combine it was a very harmless one, it was not vicious at all, it was somewhat domesticated and tame. The hon. member for Centre Toronto (Mr. Bristol) had very much doubt whether there was anything wrong at all or not, so far as I could gather from his remarks. To-night the government believes, as it did then, that there is a combine, a vicious combine, and that the way to remedy it is embodied in this resolution and bill. The official opposition also think there is a difficulty or they would not have moved their amendment. They believe there is a difficulty, but they think it can be removed in the way set out in their amendment. The last speaker, I think, is equally satisfied that there is a combine and an objectionable one. While I was just wondering at the beginning how he proposed to remedy it, I noticed before he got through that he was not satisfied with the amendment; therefore I assume that with certain reservations he is prepared to support some such form of remedy as is proposed by the government so long as he gets results. Well now, you cannot tell that until we get

through with the committee stage. As a matter of fact the situation is so bad that the government is prepared to take chances on getting results with this remedy. Something must be done; everyone is agreed on that. People have been talking around the question for years and years and getting nowhere. Now we have a concrete proposal before the House, and like any other legislation it has to go through the various readings before it is referred to a committee. We are making no difference in this respect. There will be the first and second readings of the resolution, the first and second readings of the bill based upon the resolution, and then, in order to give everybody the fullest possible opportunity to get at the bottom of the whole subject in the clear light of open day we propose to have the matter referred to a special committee where evidence can be heard and all information brought out. This is no new method; it is done on many occasions every year. Nearly all my bills go, not to a special committee, but to the regular standing committee on Agriculture and Colonization, and the same applies to railway bills.

Let me take up some of the attacks that have been made upon the resolution. It is said that the best form of defence is attack. Well, I wish to refer, not in too aggressive a way, to some of the attacks made by the opposition on this resolution. We will take them in the order in which they have been made by hon. gentlemen who have spoken.

The hon. member for Vancouver-Centre (Mr. Stevens) was disposed to admit there was an arrangement, there was a conference. What does "conference" mean? A getting together, an arranging of things quite comfortably and satisfactorily to the parties concerned. But somehow or other my hon. friend thought it was not a very vicious thing. Then after that there followed what I thought was a very vicious attack on Mr. Preston, as if he were on trial. Mr. Preston was delegated to inquire into this matter. This House made an inquiry into it two years ago, and the report of the House committee and that of Mr. Preston are very much alike. But for some reason the hon. member (Mr. Stevens) does not like Mr. Preston, and he confined most of his remarks to him rather than to his report. What did he say of Mr. Preston? He was narrow; he was prejudiced; he was jaundiced, and there were a lot of other adjectival appellations that I have forgotten. Anyway, according to my hon. friend he was everything but the right thing. But do you not think that if the report of Mr. Preston, a man of standing and a very great deal of ability, had any really serious defects my hon. friend would have put his finger upon them? I read my hon. friend's remarks very carefully—I did not trust to my ears alone—but I could not find where he put his finger on anything. He did say that Mr. Preston was a very unreliable man to get a report from, but that is a matter of opinion. Mr. Preston's statements have been assailed also by anonymous attacks, attacks appearing in the Ottawa newspapers in the form of advertisements—at least, they were not signed by anybody. These were not on the editorial page, not even on the front editorial page—if there is such a thing, and not even in the news columns, for which responsibility is sometimes taken to some extent by the editors. These anonymous attacks, plus those of the hon. member for Vancouver Centre are the only direct attacks that I have heard against Mr. Preston's report. Now, let us see what else there is.

My hon. friend says we need return cargoes, but he has done the very best he could to stop return cargoes by opposing the British preference. Well, we cannot get it both ways; you cannot vote against the British preference and increased inter-imperial trade and then complain about the lack of return cargoes.

Then, the hon. member interrupts my hon. colleague—Mr. Low— when he is in the midst of his very excellent address, and rather exultingly says: "Well, there are four things that are not under the combine, wheat, sugar, cattle and flour." Let me see what he did say, because it is quite interesting:

> May I say to my hon. friends who are seriously interested in arriving at some proper solution of this problem, that wheat, flour, sugar and cattle have never been under the conference rates? They are not controlled by this alleged combine at all. They are excluded from it and are free from these rates.

That is an interruption by the hon. member for Vancouver Centre.

Mr. BOYS: Will the minister kindly inform the House if that statement which he characterizes as an interruption is a correct statement?

Mr. MOTHERWELL: Well, we may take it as a correct one, but it will be all the worse for my hon. friend if we take it that way.

Mr. BOYS: Will the minister permit—

Mr. MOTHERWELL: I would say, however, that it was not a correct statement, it was a bluff.

Mr. BOYS: I may tell the minister that I am not bluffing now, and if he will permit me I want to put the question; if not, I will

sit down. The Prime Minister (Mr. Mackenzie King) was asked that question, as also were the Minister of Trade and Commerce (Mr. Low) and the Minister of Justice (Mr. Lapointe), but no one has answered it. In all sincerity I am asking the Minister of Agriculture whether or not the statement is correct.

Mr. MACKENZIE KING: What statement?

Mr. BOYS: That wheat, flour, sugar and cattle were not included.

Mr. MOTHERWELL: Was my hon. friend not in the chamber when the hon. member for Brome (Mr. McMaster) presented the evidence in the matter?

Mr. BOYS: Mr. Speaker—

Mr. MOTHERWELL: Will my hon. friend wait until I am through? He will have no doubt as to where he stands.

Mr. BOYS: My hon. friend talks about bluff and evasion; I think we are getting a little of it now. I am asking the minister to say whether these articles have been under the conference rates.

Mr. MOTHERWELL: Sit down and give me a chance to talk. In reality the hon. member for Vancouver Centre was not quite sure himself whether it was correct or not, because he repeats it not once, not twice, but thrice. If my hon. friend will wait I will read the question as it was put on those three occasions.

Mr. BOYS: Give us the answer, that is what we want. Do not let us have a burlesque made of this.

Mr. MOTHERWELL: I have my own way of making my remarks.

Mr. BOYS: All right; go ahead then, you are harmless.

Mr. MOTHERWELL: The hon. member for Vancouver Centre, putting the question again, said:

> I ask the Minister of Trade and Commerce, his colleague; Am I right or am I wrong in asserting that wheat, flour, sugar and cattle are exempted from the conference rates? He can accept the advice of my hon. friend behind him. Not one of them will dispute it. They know perfectly well I am right.

Then he went on to say: "I make the statement and you can prove I am wrong." That was certainly a fallacy that I have never before heard enunciated in this House. Well, the hon. member goes at it again, and he says:

> I repeat that wheat, flour, sugar and cattle are not, and never have been, included in the conference rates.

[Mr. Boys.]

> I state further that I have this from shipping authorities both in Montreal and in other sections. I am not going to go any further in regard to quotations.

He has it from those who are under suspicion. What a delightful authority that is! "I have it from the combine itself," he says. And what more need be said? He prefers to accept that evidence—until the sworn evidence is produced which was taken before the special committee of which the hon. member for Brome was the chairman. When that sworn evidence was brought down showing that all these articles except sugar were under the conference rates, then my hon. friend, with the greatest grace, crawls down and says: "I never said so." The hon. member for Brome had the sworn evidence and he was showing that the hon. member for Vancouver Centre was wrong, when that hon. gentleman interrupted him:

> Mr. Stevens: Will the hon. gentleman allow me to interrupt?
>
> Mr. McMaster: Yes.
>
> Mr. Stevens: The hon. member is not quite right. I said that these articles were not now and had not been for some time affected by the conference rates.

"Were not now, and had not been for some time;" that is quite a different statement altogether. He goes on:

> They were at one time, because I am quite aware of the fact that the United States government interfered in regard to flour, so that my hon. friend is quite right in regard to that.

Oh yes, that is quite a different story. On three successive occasions he said they were not now and had not been under the conference rates, and then when the hon. member for Brome draws attention to the fact he was not correct, he points out that he did not catch that right; and I want to give my hon. friend from Vancouver Centre credit, I think he thought he was telling the truth. We have never found him otherwise, but he knows when to crawl down, and that is what some people do not know.

Mr. MEIGHEN: Might I remark it is very evident tonight this government does.

Mr. MOTHERWELL: That is all right; I will attend to my right hon. friend in a few minutes. Here was the evidence given:

> There is no fixed rate on flour. We have what might be called a gentleman's agreement as to rates on flour.

Then we have the evidence of another gentleman by the name of Cunningham. He says there is a fixed rate on grain. So the evidence they got from the combine itself was not very reliable, and if they had got a little more information about sugar the chances are it would be under the combine too, and that is the only one left. But supposing it had been true, and they could truthfully sav

that here were three articles that were outside the combine; is not that an admission that everything else is inside? What kind of consolation would it be to shippers of thousands of other articles to know that four of them were not in the combine? Only the shippers of those four articles would care much about them; all the other articles would be under the combine. After all, there was nothing to it had it been true, which it was not, but I absolve my hon. friend from any guilty intention. Does the hon. member for South Simcoe (Mr. Boys) understand now where he gets off at?

Mr. BOYS: As clear as mud.

Mr. MOTHERWELL: We have got you on that, anyway.

Mr. BOYS: You are entertaining anyhow, nothing else.

Mr. MOTHERWELL: Well, we have got you on that point. Here is the next one. My hon. friend from Vancouver Centre (Mr. Stevens) said that we could not specify the commodities. Well, how many commodities are there left when you control them all? The agreement provides in paragraph (d):

> That the control and regulation of the rates to be charged by the contractor shall rest with the government of Canada and that government shall fix such transportation rates on all commodities from time to time.

Now how many do you leave when you get them all fixed? The opposition must be up against it very badly for argument when they think there is something left after you include them all. They are up against it pretty badly. Everybody has been commenting on the weakness and feebleness of their attack; it is lamentable, it is pathetic. After all the bluster and braggadocio and filibustering they have done, that is the sole result after the attack by one of their best men—because he is one of the best of them over there, and that is saying a good deal because there are some good debaters over there.

Another complaint was that we could not send any of these ships to the Pacific coast. If that were true that would be a real grievance, because I think Vancouver is one of the most promising ports in Canada. But what does the agreement provide? Paragraph (a) provides that the contractor shall:

> Build, equip, provide, establish and during this contract, continue and in the manner hereinafter mentioned, operate a regular shipping service between such ports in Great Britain or Ireland or the continent of Europe, and Canadian ports as may be designated by the Minister of Trade and Commerce for Canada or his representatives from time to time.

Canadian ports—that means all. Again, how many are left when you include them all? That includes Vancouver, Prince Rupert, the ports on Hudson bay, if you like, St. John and Halifax, Montreal and Quebec, and any others there are. Why it is a barn door; how much wider does my hon. friend want it? It must be a pretty watertight contract when that is the weakest spot they can pick on.

Another point made by hon. gentlemen opposite was that this contract may be abandoned over night; but the hon. member for Centre Toronto (Mr. Bristol) thought the contract was so good that if it was his he would stick to it all his life. Now what are you going to make out of that? It cannot be good and bad at the same time. I want to say that the hon. member for Centre Torontc made some of the most pertinent and I think some of the most effective remarks regarding the contract and the way it would work out, provided we went the wrong way about of putting it into effect, that is, if we attempted to put a low rate on everything and act as if we did not know which side of our bread the butter was on. The hon. member made some very sensible remarks in connection with that contingency, which we do not intend to run the risk of; no sensible person would. Let us see what he said besides,—and this shows the bent of the Tory mind on the control of rates. The hon. member for Centre Toronto takes the ground that after all, we are all liable to error, and that if this rate-fixing institution called a combine has made a mistake here and there, it is only what the railway commission has done. Now what do you know of that, Mr. Speaker. If they made a mistake, it is only what the railway commission has done, and they should be given the same fair consideration. He puts this rate-controlling institution known as the combine, which this gentleman recognized as a regular institution apparently with somebody in authority, on a parity with the railway commission. He says:

> They should be given the same fair consideration which the railway commission gives the two railways of this country in the matter of fixing rates for their traffic.

The right hon. leader of the opposition never misses an opportunity to castigate the Minister of Agriculture for some alleged statement he made regarding the railway commission. That was when I was a private member. Of course, I had no right to say anything against the railway commission then, but I said it just the same. Now here is someone quite a little closer to my right hon. friend than the Minister of Agriculture, and he brackets

this institution called a combine with the railway commission. I would refer the right hon. gentleman to his recalcitrant follower to see if he cannot fix him up, and I wish him more success than he had with the Minister of Agriculture. Mark you, that was no slip of the tongue by the hon. member for Centre Toronto. He said the same thing more than once. It just showed the natural bent of the Tory mind. He said:

> First of all, I do not believe there is a combine in the sense that it is a combine to restrain trade.

He also thinks it is a docile institution with no teeth, and that if it had teeth, it would not bite anyhow. He goes on:

> I have too high an opinion of the Canadian Pacific and of these other lines to believe they are doing anything more than trying to get a fair rate which would keep them going. There may be mistakes made, just as there have been in the fixing of rates on our transportation lines in this country: there is a little one, for instance, on the Crowsnest pass.

Who made that mistake, if it was a mistake? The Parliament of Canada. And this rate fixing institution, known as the combine, has the same right to make mistakes that we have. What do you know about that? Well, words fail me, Mr. Speaker, to do justice to such a statement as that. I will not read any further. My hon. friends opposite are looking nearly as serious as when these files of earlier correspondence were tabled; they are looking as though their last hour had come. "Cheer up, the worst is yet to come." I think I have got through with the hon. member for Centre Toronto (Mr. Bristol).

I come now to the first gentleman who spoke to-day, the hon. member for Burrard (Mr. Clark). His first complaint was a very terrible one. "Why, these boats may be built in Germany." I suppose he thought that would arouse everybody's anger. He must have thought that we were in the middle of the war again. Let me tell the hon. gentleman the war has been over for some time. However, he made the statement twice, and I suppose he will go on repeating it all over Canada trying to make capital because these vessels might be built in Germany. As it happens they will not be built in Germany. My information is that all these contracts have been already let to British shipyards. That should satisfy my hon. friend; I hope he will sleep tonight when he knows that.

Mr. BOYS: Have the contracts been signed?

Mr. MOTHERWELL: That is for Sir William Petersen to say; we are not building them.

Mr. MEIGHEN: You said they were a moment ago.

[Mr. Motherwell.]

Mr. MOTHERWELL: Another fallacious notion my hon. friend is getting into his head is that we are going in for building ships. we have got about enough ships now of the kind that were built by my hon. friends opposite.

Mr. CHAPLIN: You are only subsidizing them?

Mr. MOTHERWELL: We are paying for the right to control the transportation rates, and we are going to control them.

Then my hon. friend (Mr. Clark) goes further with regard to wheat shipped to Montreal. He stated that these ships are actually going to haul American wheat in competition with ours, and notwithstanding that fact they are going to be subsidized out of the treasury of Canada, and then he asked the question "Is this wheat of ours going in there with the American wheat? That in order to draw our wheat they must draw American wheat and it will be mixed together in the same bin." My hon. friend is a legal gentleman, I understand that is his profession, and he must know that every article that enters Canada that is dutiable must either pay duty or go into a bonded warehouse of some kind. If he does not know that he is not very well posted on wheat; he may be a good lawyer in other respects. But any dutiable article that comes into Canada, which is just moving through Canada, enters at one point and goes out at another.

Mr. CLARK: Will that wheat definitely go into elevators at Montreal?

Mr. MOTHERWELL: Just a little louder if you please.

Mr. CLARK: Will the wheat that comes through from the United States in bond definitely get into the elevators at Montreal?

Mr. MOTHERWELL: Surely but it will be kept separate in special bins. Surely my hon. friend has heard of that before?

Mr. CLARK: It will be separated from the Canadian wheat?

Mr. MOTHERWELL: Surely.

Mr. CLARK: And never mixed at any time?

Mr. MOTHERWELL: Surely not. No wonder we need to send this contract to a committee; I see there is a lot of information required round here. American wheat! Why, you would have every farmer in this House on his hind legs almost if we mixed that Kansas wheat in Montreal with our wheat? It is practically all Kansas wheat that goes

through there at a certain period of the season. They would be subject to prosecution if they mixed that grade and sold it out in any other way than it goes in. The customs officers of this country guard wheat from the United States carefully because otherwise they would lose the duty on it. The evidence given at the grain investigation showed quite distinctly that we are on guard all the time to see that there is no mixture of wheat going by boat to Buffalo and New York. If the hon. gentleman has any doubt about that I can quote from the report of the grain commission but I do not want to read too many harrowing documents. My hon. friend (Mr. Clark) in the two hours he spoke was at least very gentlemanly, but that is about all. I can prove absolutely from the report of the Royal Grain Commission that there is no mixing of our grain except by mistake. It is absolutely prohibited and the whole staff of custom officials of the United States are also on guard to prevent it, otherwise they would be defrauded of their duty. Therefore, wheat intended for American ports goes into bond at Buffalo and is shipped out via New York. When their wheat comes through Montreal it is not only carefully watched but it is graded by our officers. You will find that last year $64,000 was paid by the United States government to Canada for grading her wheat in Montreal. Wheat from the United States is kept in a separate bin most assuredly. That is the whole crux of the situation in connection with the grain trade to keep these wheats separated—not only the American wheat but our wheat of different grades is separated. I do not criticize my hon. friend for his misconceptions but if he is going to be a party to the building up of a great port at Vancouver he had better get acquainted with these matters. I think myself that the most difficult man in the world to explain the grain situation to is a lawyer. I think my hon. friend from Vancouver Centre (Mr. Stevens) also made mistakes, but perhaps I have roasted him enough.

The next matter that I wish to refer to is the probable millions, according to hon. gentlemen opposite, that this contract may cost us yet. Of course, there is only a trifling difference between £275,000 per year and millions. But what are a few tens of millions anyway when it comes to exaggeration? My hon. friends might as well have made it a hundred millions when they were about it. Before this arrangement is through I will venture a guess that the estimate will be up to two or three hundred millions, and that will be modest for my hon. friend opposite.

The hon. member for Red Deer (Mr. Speakman) had two or three objections and they were very well taken. He complained that the Preston report does not indicate the profits of the combine. But how could Mr. Preston get that information in another country? If there is any way of getting it maybe we will send Preston off again. He is a pretty good hand, he is quite a Sherlock Holmes in these matters. But how was he to get the profits of this combine whose ramifications extend pretty nearly from pole to pole and throughout the seven seas. Anyway that information is held in another country. Mr. Preston is no doubt some man, but I am afraid that task would be too much for him. Let me say to the hon. member for Red Deer that it would be very difficult to find out what profits the combine make. But we all know from the condition of our pockets that they are squeezing us, and if we have not got the money they must have it.

Mr. SPEAKMAN: The hon. member for Red Deer would be quite satisfied if he learned the profits made in the Canadian trade.

Mr. MOTHERWELL: It is a different thing getting information at home; but this concern is operating in another country. I do not know that Mr. Preston could get the information unless he was equipped with judicial authority; he certainly could not get it except in a voluntary way in another country.

Then it is suggested that the Canadian merchant marine should be tried out. But we have given it a critical trial, and those who have tried the merchant marine most think the least of it. The objection is raised that most of those ships are too small for ocean traffic and too big for the canals. That is the trouble. They were made for war purposes, and the war is over as I have already indicated. Now we have to use this merchant marine for peace purposes. I think the Canadian merchant marine could be made an auxiliary to the Petersen fleet of ten ships if necessary. The offer has been made to all and sundry of Canadian ships, both the Canadian merchant marine and the Canadian Pacific.

Mr. MEIGHEN: What offer? Will the minister answer?

Mr. MOTHERWELL: The contract. My right hon. friend apparently has not awakened to the fact that we are discussing a contract. I can understand the dilemma which my hon. friend from Red Deer is in to-night. He felt the awkwardness of making the choice between this ridiculous amendment, and submitting

the contract to the committee. That is the custom; the second reading is had and then amendments are suggested. And very often owing to the number of amendments that are introduced bills have to be reprinted. But as the Prime Minister (Mr. Mackenzie King) has indicated, whatever alterations are made must be such as both parties can agree to; otherwise there is no contract. We are following in this case the method that is pursued in connection with any other bill. The friends of the combine have instilled into the minds of some people the idea that an attempt is being made to do something underhand. That is absolutely not so; our desire is to have everybody on the face of the earth who wants to be heard given an opportunity to come before the committee. There is no juggling whatever; everything is absolutely straight and above board. But it is a strange fact, Mr. Speaker, that the most straightforward people are sometimes the most suspected.

I think I have dealt with most of the remarks of one kind and another that have been made by those who have attacked the agreement. And those attacks were very feeble indeed. Most of the criticism has been directed against Mr. Preston. But suppose hon. gentlemen could succeed in annihilating Mr. Preston, what would be the situation then? Why, the contract would still be there. And Mr. Preston, I fancy, can look after himself before the committee.

Now I shall refer as briefly as possible to some points with regard to the defence which has been made in behalf of the combine. Of course, we are all agreed that there is a combine; there is no reason why we should spend any time labouring that point. But I did not suspect that we should all come to that agreement so quickly. I have therefore taken the trouble to look up the reply of the steamship companies in which it is contended that no combine exists but that there is just a friendly little get-together. I shall read briefly from this document, which by the way is unsigned. No one has undertaken to put his name to this reply, but I may say that at least Mr. Preston put his name to his own report. That is more than has yet been done by any of those who have come to the defence of the combine, and it is worth something at any rate. The extract from which I am about to read is interesting; it is what convinced the hon. member for Vancouver Centre (Mr. Stevens) that there was no combine.

> As mentioned previously in this report there is no "combine" (which in the present day acceptation of the term implies a monopoly), but merely an association of the regular lines, constituting a very small portion of the carriers on the Atlantic, who have agreed among themselves to quote on various commodities equivalent rates subject to change on notice; the object of this is simply to prevent the complete demoralization in rates which occurs when there is no such agreement under the keenly competitive conditions which prevail in the north Atlantic trade.

You see, the idea is to keep down competition. When you are anxious that a certain rate shall prevail you naturally do not want some other fellow to come along and vulgarly cut it down. To proceed:

> It is practically the same arrangement which obtains as between all large distributors of staple commodities, with the same object, i.e., to prevent uncontrolled price cutting, which, as it destroys proper service, in the end benefits no one. If it were not possible to maintain ocean rates on a reasonable basis of freight the result could only be the elimination of all but the strongest lines and a practical monopoly of the traffic by such lines.

This is so familiar! You can read it in the dark, and it is the kind of thing we have all heard as long as we can remember. It is the old contention, that if you do not control the competition you are going to wipe out everybody and that finally you will have to resort to the sailing vessels of old, and all that sort of thing. There are two or three other gems which I should like to read if I could find them. It would be too bad to miss them, for they are well worth reading, as a defence of the combine. I thought I had turned down the places in which I marked them, but evidently they are so ashamed of themselves that they got under cover. But they are all unsigned; no one has ventured to put his name to the document. Well, of what value is a document of this character to which there is no signature? What kind of campaign do they conduct when they refuse to come out in the open with the name of a responsible person? I would ask hon. gentlemen, how many men do they think will fall over one another in their endeavour to secure a hearing before the committee? They are making much ado about a supposed grievance, but if I were a betting man I would take odds on the number of these gentlemen who will cross the Atlantic to expose Mr. Preston. I can scarcely see them tumbling over one another in the corridors of the Parliament Buildings to get to the committee. But, as I say, if they cannot put their name to an ordinary document like this published in a newspaper, it is not to be expected that they will submit themselves to the searching light of cross-examination. If they come, however, I will welcome them; possibly we will give them a banquet.

10 p.m.

Mr. LADNER: I presume the minister wants to be fair in his statements as regards the signing of the various documents. If

he will look at page 46 of the reply of the steamship lines he will find the signatures of various companies such as the Anchor-Donaldson, the Canadian Pacific Steamships, Limited, the Furness line, and fifteen or twenty others.

Mr. MOTHERWELL: But they are not signed.

Mr. LADNER: The companies have signed the document.

Mr. MOTHERWELL: Will any of these people come forward and assume responsibility for what is stated in the document?

Mr. LADNER: But here are their signatures.

Mr. MOTHERWELL: Those are merely the names of companies. Does the hon. member think that Mr. Beatty, for example, will hold himself responsible for this document, which he did not sign?

Mr. LADNER. The minister has been joking all the evening; but seriously, does he suggest that the signatures here, purporting to be genuine, are forgeries, without the authority of any individual company in any case?

Mr. MOTHERWELL: There are no signatures there at all. I think my hon. friend's law needs brushing up a bit.

Mr. LADNER: Are these not copies of documents properly signed?

Mr. MOTHERWELL: There is not a signature there at all, but just the names of companies. If that is all my hon. friend has to say I will proceed. Here is another extract:

> In fact the struggle became so keen that many of the lines had to withdraw, and the remainder, with a view of self-preservation, began to draw together so as to avoid bankruptcy and disaster by coming to a mutual agreement with shippers.

I wonder how many hon. members who are farmers ever heard of this combine sitting in with them and deciding on any rate. I will tell you of a case in which they did, but it was only after a club had been held over them. In the Annapolis valley some time about 1920 or 1921 it was costing the fruit growers $2.50 per barrel to ship their apples to the Old Country, as against a previous rate of 70 cents. The United Fruit Growers of Nova Scotia got after the combine and they soon made them come to terms. The apple growers got hold of tramp steamers, and while these vessels did not give them the service they wanted they were able nevertheless to cut into the apple rate to $2.00, $1.75, $1.50, until the combine came to them and said that if the apple growers would guarantee their ships all their apples they would reduce the rate to 90 cents per barrel. And that bargain still stands. They sat in delightfully that time, but they sat in when they were simply compelled to. And that is a fact; the ship owners will sit in with the shippers, but only after the shippers have indicated quite plainly that there is going to be competition with a consequent control of rates. I have that information from the apple growers' association, whose representatives were here last week fighting another combine, which was exposed by the Minister of Labour (Mr. Murdock) and his commission. Here is another extract:

> The North Atlantic steamship conference is not in any sense a combine—

That is where my hon. friend got his authority.

> —but the interests of the large number of individual companies operating steamers from north Atlantic ports required some form of joint action in respect to rates. It may be here stated that the United Kingdom conference does not direct or in any way interfere with the making of eastbound rates by the north Atlantic freight conference, the rates being made to equitably permit steamers to pay expenses and the manufacturer to export.
>
> Furthermore, in the list of eastbound rates promulgated by the north Atlantic conference, no rate or agreement is made in respect to grain, flour or cattle.

Even the hon. member for Vancouver Centre (Mr. Stevens) has gone back on that authority, so I will not refer to it any further. This is the defence. Why, it is an admission of guilt except as to four articles, three of which have been proven under oath to be under the combine, leaving only one article, sugar, and the chances are that it is under the combine also if the facts could be arrived at.

Mr. CHURCH: Is there any reference in the Reply of Steamship Lines to the Preston report which the minister is quoting from in reference to the elevator combine, the grain growers' trust or the wheat pool trust, and would the minister approve the subsidy policy of government aid to a few private concerns or private companies with a view of breaking up these combines and checking rates?

Mr. MOTHERWELL: It is only ten o'clock, and if my hon. friend will keep quiet long enough, I shall get around to the elevator combine, how it is controlled and who controls it.

Why have ocean rates increased so much? Let me make some comparisons. Have ocean rates increased more rapidly than land rates? That, at least, will guide us in coming to a conclusion whether there is anything in this

or not. The argument is advanced that transportation on the ocean is higher than it used to be. That is true, but in my estimation it is much more expensive relatively than on land. This is a table I have compiled in regard to butter, cheese, bacon and cattle, showing the pre-war ocean rates for ordinary and refrigerator stowage, the 1924 rates and the proportion and percentage of increase for 1924 as compared with the pre-war rate:

	Pre-war 1914		1924		Ordinary		Refrigerator	
	Ordinary per 100 lbs	Refrig. Per 100 lbs	Ordinary	Refrig.		Percentage		
Product	Cts.	Cts.			Proportion	Increase	Proportion	Percentage
Butter.. ..	37.17	54.17	100	165	1 : 2.69	169%	1 : 3.0	204%
Cheese.. ..	31.5	40.0	70	105	1 : 2.22	122%	1 : 2.6	162%
Bacon.. ..	23.77	35.3	50	100	1 : 2.1	110%	1 : 2.83	183%
Cattle.. ..	$7.30 each		$20 each		1 : 2.74	174%		

What are the increases on land? The average increase on land, according to a computation of many articles, is about 30 per cent. Some computators make it more nearly 40 per cent. Supposing we make it 40 per cent, there would still be an increase of 300 per cent more on water than on land. That is to say, the rates on water have increased over 300 per cent more than rates on land.

Mr. TOLMIE: What year did the hon. member say that the rate on cattle was $7.30 a head?

Mr. MOTHERWELL: The year 1914. I have figured this out carefully and this is the conclusion from this schedule. The average percentage of increase, 1914 to 1924, is 143 per cent for ordinary stowage and 183 per cent for refrigerator stowage. The average percentage of increase, 1914 to 1924, for ordinary and refrigerator stowage, is 160 per cent. The approximate percentage of increase in railway rates between 1914 and 1924 on the same commodities is 30 per cent. Taking 30 per cent as the average increase in railway rates, ocean rates have increased exactly five and one-half times as much as railway rates. That is, uncontrolled ocean rates have increased 435 per cent more than controlled railway rates in the ten year period 1914 to 1924. In face of that, we need not doubt any longer the existence of a combine on the ocean. Where the rates are controlled on land and there is the expense of keeping up the right of way with large labour bills as compared with those for ocean transportation, it seems to me the expenses must be greater on land, and yet the increase at most is not over 40 per cent as against 160 and 180 per cent that I have spoken of for ocean transportation. The uncontrollable ocean rate has increased five and one-half times as much as the controlled rates on land. Surely it is high time that we looked into these things and we are not the first to look into them. Long ago, the entire official opposition were cognizant of all these things. May I read some of the correspondence that was brought down yesterday?

Sir George Perley reviews the history of the government's efforts in this matter. He starts out: "You will remember that during the past ten years the question of ocean freight rates has been discussed many times, as they often seemed higher than was reasonable, and some of us thought that a way might be found for controlling them by a body similar to our Railway Commission."

This is a cable Sir Thomas White sent tc the High Commissioner in April, 1919:

In that month it will be recalled Sir Robert Borden was attending the Peace conference in Paris and Sir Thomas White was the Acting Prime Minister. Sir Thomas cabled to the High Commissioner as follows: "Canada much concerned about ocean freight rates—Inquire and cable whether British government would co-operate with Canada in giving effect to report of Royal Commission on Natural Resources. Trade and Legislation of certain portions empire as presented to Imperial parliament in March 1917. This report finds that it is not desirable that operations of steamship companies carrying passengers and freight between Canada and England should remain longer, without government supervision."

Then, later on:

Sir Robert Borden, however, had been considering the question and about this time drew up a memorandum "respecting necessary control of ocean rates and disposition of available shipping."

Further on:

Government Strongly Impressed

He then says: "The government of Canada is strongly impressed with the view that this condition is not sound; that the policy and methods hitherto pursued have not been characterized in some respects by wise or comprehensive outlook, and that the future relations of the British Empire depend very materially upon the immediate remedy of existing conditions."

Think of it. Here are four knighted gentlemen hovering around this question, but taking care not to singe their wings in any way. Yet they feel the empire trembling! Think of that from a Tory! These four knighted, belted gentlemen, going to look into this question, and then with a combine in their centre playing the old-fashioned school game, "ring-around-a-rosy." They give a squint at it, they all admit the situation, but they

never get to grips with it. And look at them to-night! Then later on let us see what the right hon. leader of the opposition had to say:

He writes: "You will observe that the Canadian government have attached great importance to the desirability of securing, if feasible, some control of ocean freight rates." Continuing, he remarks that the Imperial Shipping Committee hitherto had not considered this angle of the problem.

"However," he wrote, "the government have now decided that the time is opportune to put before the committee this question of the control of ocean freight rates."

And in the meantime the right hon. leader of the opposition asked Dr. Magill to report on the situation; but Dr. Magill says his hands are full with another commission appointed by the right hon. leader of the opposition, the Hyndman Grain Commission, and that he cannot take care of it. As a matter of fact, they did not take care of either of them. That is a habit the old government got into. They twit us about appointing commissions, but as far as I recall we generally get reports from them. On the other hand, three at least of the commissions appointed by the old government failed to make any report. There was one—I forget its name, it was as long as the official name of the late government, and the hon. member for Moose Jaw (Mr. Hopkins) was a member of it—you cannot find it anywhere. It never reported, it simply died on the roost over night. Then we had two more. I wonder why the right hon. leader of the opposition did not write Dr. Magill to find out why he could not report. Dr. Magill just wrote back intimating that there was another commission to be attended to around the grain exchange. That is all. I think I have the key to the difficulty. There was at that time another combine forming in Canada, a combine of the people to get rid of that government, so no wonder they had not time to wait for reports from the Hyndman commission on grain or this commission on freight rates—they had to look after themselves.

It is sometimes asked, Mr. Speaker, how we are going to bring about control of ocean freight rates. If we go about it the wrong way there is bound to be failure. But why should we? I have a summary of all the sailings from Montreal during seven months of last summer for cheese, eggs, butter, meats, lard, fruit—104 sailings in all. My dairy commissioner and my deputy have worked this out carefully, and during the seven months covered in this summary the ten Petersen ships, if they have the ordinary cold storage space which I understand they will have, that is, an average of 50,000 to 55,000 cubic feet each, they will be able to take care of all these commodities that are offered, and use only one-tenth of the space. That is worth something. The freight rate on cheese, we will say, is lowered 15 or 20 per cent, or even 10 per cent, and eggs, butter, meats and fruit also benefiting to the same extent—will not that be worth something? These ten ships with five or six of the Canadian Government Merchant Marine will take care of the entire offerings of all these commodities from Montreal for the seven months; then they will be able during the winter months to take care of the offerings from our other ports. If we take on some of the other Canadian Government Merchant Marine boats—and I understand there are a number of them trading already on the Pacific through the Panama canal—we will have still more freight accommodation. Then there are the boats belonging to the Canadian Pacific Railway Company. You cannot expect them to come in at this time. They are a member of the combine, and they will be loyal to it so long as business considerations permit, but when the time comes to make a choice between loyalty to the combine and loyalty to the people of Canada they will not hesitate. This is a free country, the offer is free, and we do not expect the other shipping companies to tumble over each other to take advantage of this arrangement, but the more we get in the quicker the remedy will be effected; the slower they come in and the more opposition we encounter, the slower will be the remedy, and those who obstruct will have to take the responsibility of results coming thus slowly. These will be the factors determining the people's attitude on this matter.

I have every sympathy with my hon. friends of the Progressive party. But they are suspicious. There is no question about that. I do not know what they are suspicious of. Let me recite right now the struggle connected with the breaking of the grain combine in the west, and I am glad the hon. member for Marquette (Mr. Crerar) is present; he will probably confirm what I say.

Mr. CRERAR: I do not know.

Mr. MOTHERWELL: When a handful of farmers in the northwest stood out to fight the grain combine they had even a more feeble weapon in their hands than what this Petersen fleet is alleged to be. The hon. member for Vancouver Centre (Mr. Stevens) ridiculed this feeble weapon. Our farmers of the northwest were apparently in an absolutely hopeless position, but they had to do something, and they went out and did it. A handful of men gathered at Indian Head in 1901, and

formed the Saskatchewan Grain Growers' Association. Some time later on Mr. E. A. Partridge and three or four others formed the organization to fight the elevator combine. Why, it looked preposterous to attempt such a fight, but they stuck at it year after year, they started a journal of their own, they established locals here and there, until they had developed a spirit of co-operation and loyalty. Then a little later on in Saskatchewan there grew up another big institution under the support of the Saskatchewan government. That was in 1909 or 1910, and we do not hear to-day, Mr. Speaker, anything about a combine there. That teaches us not to despise the day of small things. These organizations at their inception were much smaller than the despised ten ships of the Petersen fleet and our own merchant marine. What surprised us the other day was when we had before us Mr. Maharg, a former member of this House and later a member of the Saskatchewan government, who expressed far more suspicion with respect to this matter than the hon. member for Red Deer (Mr. Speakman) expressed this evening. Mr. Maharg enunciated the somewhat heretical doctrine preached by my hon. friend from Vancouver Centre: You are to be judged guilty until you prove yourself innocent. That coming from a gentleman whose company was subsidized from its inception, and rightly so, for it would never have opened its doors if it had not been so assisted, rather surprised us. The Saskatchewan Co-operative Elevator Company was started with a $6,000 organization grant. I was a member of the Saskatchewan government at the time, and know the facts. I believed it was a good policy then, and I believe so still. Eighty-five per cent of the total capital expenditure necessary to build a line of 400 elevators—$4,000,000—was loaned by the Saskatchewan government to this company, of which Mr. Maharg is the president. They got that money at an average rate of 5½ per cent,—2½ per cent less than the current rate of interest at that time, representing a saving of $750,000. That is the gentleman who objects to subsidies!

Mr. CAMPBELL: Does not the minister draw a distinction between a subsidy and a loan which has to be repaid?

Mr. MOTHERWELL: I thought I had touched on that, but I will touch on it further. It was a loan at 2½ per cent less than they could get it anywhere else. Therefore the $750,000 saved was a subsidy, a grant, or whatever you like to call it. It was straight aid.

Mr. EVANS: I would like to ask the minister—

Mr. MOTHERWELL: Now, just a minute. I know that some of my hon. friends do not like to hear this, but the same men from Saskatchewan know it is true and they do not object to having it recited. They know that Mr. Maharg was inconsistent. They got a straight subsidy in the form of an interest saving of $750,000, and in addition to that their trading account was guaranteed 100 per cent by the government, and that ran into tens of thousands each year. In this way they were assisted in getting their loans through at the bank. Now, you may not want to call that a subsidy, but I do not care what you call it; it is money, it is assistance.

Mr. EVANS: Will the minister say that 5½ per cent was less than it cost the government?

Mr. MOTHERWELL: No, I do not say that. I said it was the average price. I suppose the government could get it at that price or perhaps at a little less, but that is not the point. The point is what the elevator company would have had to pay if they had borrowed in the ordinary course of business and if the government had not taken the action it did. That is the point—and the difference is the subsidy. You cannot wiggle away from that. You cannot take the ground that a subsidy is all right for me but all wrong for the other fellow. You cannot say: "Do not do as I do, but as I tell you."

Mr. EVANS: There was no subsidy given; it was only an organization grant.

Mr. MOTHERWELL: Will the hon. gentleman tell me where he could get the money at 5½ per cent?

Mr. EVANS: From the government.

Mr. MOTHERWELL: I say there was a saving in interest of $750,000 by actual computation. I do not know how much the saving on the trading account would be, but it must have run up just as high as the other because they had the government behind them and therefore the banks would make loans at a more favourable rate, knowing that they were taking no chances. The benefit in respect to the trading account ceased only two or three years ago. Now, I was jointly responsible for that, and we thought it was good business. The purpose of this payment is identically the same, that of breaking a combine, and of assisting not only the farmers

but every citizen of the country. If that were not the object we would not be in it; why should we be? The other day a fruit combine was unearthed by Commissioner Duncan—and I may say in passing that you will live a long while before you will find the Tory party digging into a combine. Oh no; they would rather snuggle up to it. I had an opportunity of discussing this fruit combine with my colleague the Minister of Labour (Mr. Murdock) and he indicated in a general way what was coming. Before the report was tabled or even printed we were taking action to meet the situation. Representatives of the fruit and vegetable trade all over Canada were convened in Ottawa, working out a policy to combat that combine through the establishment of a nation-wide brokerage agency of their own. You never heard of anything like that under a Tory government. Look at the story of it! I have here a report on ocean freight rates by the present hon. member for West York (Sir Henry Drayton)—one of the knighted gentlemen who were looking into this matter. He never got close enough to it, however, to hurt either it or himself. I see that my hon. friend is just coming into the chamber, and I am glad, I ventured the prediction a while ago that he would not speak on this question, and I am going to keep to that guess. Now, this is a report by H. L. Drayton, K.C.—I assume that is my hon. friend—printed by the Government Printing Bureau at Ottawa. There is nothing wrong in it, and from what my hon. friend says in this report I am sure he can conscientiously support this resolution. He says:

> With this end in view, I endeavoured to obtain the appointment of a joint commission to make a thorough and complete investigation of, and to report on the methods and practices, and rates and charges of ocean carriers doing business, or from time to time doing business, between ports in the United Kingdom, or any of them, and ports in the Dominion of Canada, or any of them; and also of all terminal companies or port authorities of any port in the United Kingdom or in the Dominion of Canada through which traffic, whether of passengers or freight, between the United Kingdom and the Dominion of Canada passes, and also to investigate into and report on all insurance charges or other expenses that shippers from the United Kingdom to Canada, or vice versa, are subject to as the case may be.
>
> I further represented that the commission, in addition to reporting its findings in the above matters, should also recommend what, if any, legislation the commission deemed advisable should be passed by the Imperial parliament, or by the parliament of the Dominion, or by both.

He suggests the advisability of legislation. Well, we have legislation before us. My hon. friends opposite promise or suggest, while we perform—that is the difference. I quote further:

> I further represented that it was necessary that the commission should have authority to sit at such places it might desire, either in the United Kingdom or in the Dominion of Canada, with authority to compel the attendance of witnesses, production of documents, books, papers, etc., and to administer oaths; and also that the commission should have the right to employ accountants, etc.

We did that two years ago before what was called the McMaster committee. The inquiry went on for weeks—I do not know how long; we thought it was going to drain the treasury to pay the expenses of the witnesses. That committee submitted three or four interim reports. The hon. member for West York, in this report, suggested investigation either in Great Britain or in Canada. We have had it in Canada, and in a week or two we will call to this country everybody in England who wants to come and attend the hearing before the special committee. In his report the hon. member for West York also said:

> I further impressed upon the Imperial authorities that it was the desire of the Canadian government that the investigation should be entered on in the near future, and, if possible, a report made so as to enable any necessary action to be taken by that government at the ensuing session of parliament.

He suggested that steps should be taken to make action possible "at the ensuing session of parliament." This was in 1913; so that the hon. member had in mind exactly what we are doing. I do not know how he can object to our legislation, unless it be from the point of view of party loyalty. I have a high regard for that myself, and that would be the only justification for taking a stand against the report. However, I will not take any delight in seeing my hon. friend try to look both ways, because we all have to do it sometimes; in this team work we are engaged in it cannot be avoided. But under ordinary circumstances, where party fealty or party loyalty was not involved, I am sure that if my hon. friend were of the same opinion now that he was when he submitted the report frow which I have quoted, he would support this resolution without reservation.

No combines ever admit guilt; they are not expected to, except indirectly, in their defence. My experience with wrongdoers is that they are not very courageous; throw the light of open day upon them and they soon take cover. That was the experience in the case of the elevator combine, and also in the case of the fruit combine, in the western country and again in the Annapolis valley. What is all this commotion about throughout the country? What is all this lobbying for? What is all this advertising for? As a matter of fact this institution, this conference—that is its Sunday name—has been torpedoed amidships and is in

distress; it is flying the signals right now and sending S.O.S. calls all over the country for someone to come to the rescue. I know what it is because I have been in these fights many a time. Sometimes I come out on top and sometimes not; but the combine never came out on top and it will not come out on top this time.

The time will come when we all in this House will have to show our colours and line up either with the people of Canada or the Atlantic conference; we shall have no other choice. I have a clipping here showing that South Africa is suffering under the same difficulty. Here is a little story, and I assure you it is right, to the effect that they are looking about for some way of escaping the irksomeness they feel in respect to ocean rates; they are in exactly the same position we are in. We expect to get recruits and reinforcements in our fight. You may recall, Mr. Speaker, how little Belgium undertook to challenge the marching hordes of Germany. It looked preposterous for her to stand up against such an onslaught of superior force, but her action challenged the admiration of the whole world, and the whole world rushed to her assistance, with the result that we all know. Our action is also going to challenge admiration. Not only that, but it will enlist the support of other countries that are situated just as we are in respect to ocean rates; there is no question about that. But even if they do not come to our assistance, it will only take us a little longer, that is all; and we are going to stay with it until we get results.

Just one word, and I will be through. There is only one move required. You may scoff at this, but you will recall, Mr. Speaker, how at the beginning of the war the British army was spoken of as "the contemptible little army," and I say in this matter you may scoff if you like, but we have a right cause, and it is only a matter of time until we get results. How quickly, will depend upon the opposition to the proposal. If you want to delay results oppose this move; but those who oppose it will have to take responsibility not only here but in the country. Results will be attained in a short time if we get the support of the Canadian Pacific, but we shall not get it at the beginning. First of all we have to show that we mean business; that we are right behind this contract, behind the principle of it. Hon. gentlemen may talk about changes being made, but every bill can be changed for the better without altering its principle at all. The Prime Minister has indicated, in order to satisfy the hon. member for Burrard (Mr. Clark), that he is willing to make a change with regard to the word "commodities," to which the hon. member objected on the ground that it might mean American commodities, commodities from Honolulu, Jericho or some other place. The Prime Minister indicated he would be willing to insert the word "Canadian," if that were thought necessary to show that Canadian commodities were meant. If there are any t's to be crossed or i's to be dotted, we will make these changes; but the principle of the bill stands. This government, like any other government, is always ready to make changes that will improve a bill so long as they do not interfere with its principle, and this government has indicated its readiness to do that.

[Mr. Motherwell.]

Hon. R. J. MANION (Fort William and Rainy River): Mr. Speaker, if anything were needed to convince this House that the whole proposition which it is discussing at the present time was in the nature of a burlesque—

Mr. MOTHERWELL: Oh yes, I knew that would come.

Mr. MANION: My hon. friend is a good judge of himself. If anything were needed, I say, we have it in the speech of the hon. minister (Mr. Motherwell) who has just sat down. If I did not know that the minister is an absolute prohibitionist I might have come to the conclusion on listening to his speech that he had already taken advantage of the loosening up of the temperance legislation in Ontario.

Some hon. MEMBERS: Oh, oh.

Mr. MANION: There is this to be said about the hon. gentleman: While he is always entertaining, he is very rarely instructive. I think he can say less in more time than any other hon. gentleman in this House. I notice that his last remark was "One word more and I will be through." The hon. gentleman was through an hour before that, but he did not know apparently how to stop.

I notice that one of his statements—and I do not intend at this late hour to take up much time—referred to the signing of letters and editorials and other documents, and while he was criticizing people for not signing letters and statements, he was holding in his hand this statement which is a reply of the steamship lines engaged in the Canadian north Atlantic trade to the charges made by Mr. Preston. My hon. friend from Vancouver South (Mr. Ladner) very properly pointed out that this reply of the steamship lines was signed by the different companies. I

am not speaking for them, but I think the minister might have had the fairness to admit when he was speaking on the matter that this statement was signed by the companies putting it out.

Mr. MACKENZIE KING: Does it contain the name of any responsible officer of any of the companies, the president or secretary?

Mr. MANION: I do not think any company would require to have their secretary's name there in addition to the names of the companies. I can read the names of the companies who are responsible for this statement. They are as follows:

Anchor-Donaldson Line, Ltd., Cunard Line.—The Robert Reford Co. Ltd.
Donaldson Line, Ltd.—The Robert Reford Co. Ltd.
Cairn Line of Steamships (Thomson Line).—The Robert Reford Co. Ltd.
White Star-Dominion Line.—
Canadian Pacific Steamships, Limited.—
Furness Line.—Furness, Withy & Co. Ltd.
Manchester Liners.—Furness, Withy & Co. Ltd.
Head Line.—McLean, Kennedy, Limited.
Scandinavian-American Line.—McLean, Kennedy, Limited.
Inter-Continental Transports, Limited.—Canada Steamship Lines, Ltd.

Mr. MACKENZIE KING: Who signed for the Robert Reford Company?

Mr. MANION: It is signed "The Robert Reford Co., Ltd.".

Mr. MACKENZIE KING: Who signed for that company?

Mr. MANION: It is signed by the company itself. Does the Prime Minister mean to suggest that these companies who have put their names to this statement would deny that they are the authors of it?

Mr. MACKENZIE KING: My hon. friend would not take as a contract the signature of a firm without the name of some officer of that firm.

Mr. MANION: Nor would you take as a contract a resolution in printed form before the House. As a matter of fact, the very weakness of the hon. gentleman's argument is this: The Minister of Agriculture, when he was making these charges about statements and letters being unsigned, spoke of the Preston report. I glanced at it while he was speaking, and on page after page I find that Mr. Preston quotes statements by correspondents who say this, that and the other thing, and he does not even mention who they are.

Mr. MOTHERWELL: Does he not sign the report?

Mr. MANION: Yes, but he bases his report on the statements of no one that we know. For example, he has a memorandum on the export of sole leather, and simply introduces it with the statement that "the largest sole leather tanners in the British Empire explain" such and such a thing; but he does not say who that is, and there is no signature.

Mr. HAMMELL: I will tell the hon. member who that is if he wants to know.

Mr. MANION: That is not the point. My hon. friend may tell me all kinds of things. He will have a chance to speak later on. I am simply quoting Mr. Preston's report to show that he does not quote any authority by name for his statements.

Mr. HAMMELL: Everyone in Ontario knows who that is.

Mr. MANION: Everyone in Ontario does not know, because I am in Ontario myself and I do not know.

Mr. HAMMELL: You do not know anything about the leather business.

Mr. MANION: I hope my hon. friend has more knowledge about that business than he shows in discussing many other subjects. Mr. Preston goes on and gives a quotation from "Another factory seriously affected." All he gives in that case is "A prominent manufacturer of agricultural implements"; but he does not say who that is. On the following page I find this: "From other sources the following complaints are made"; but there again no name is given, and there is no signature or anything to show where he got the information from. Again, "A very large manufacturing company in Toronto" writes and tells him something; but he does not say who it is. Again "The chairman of an Ontario city chamber of commerce" writes; but he does not say what city or what chamber of commerce that is. There is page after page of that sort of thing. So the Minister of Agriculture, in accusing some of our party of using statements which were unsigned, overlooked the fact that he was supporting a contract that was based upon a lot of statements that were not signed by the companies that gave them to Mr. Preston. I do not wish to waste any more time on the minister's speech because throughout the whole of his remarks I do not think he put up an argument either for or against the contract; he simply wasted the time of the House for about an hour and a half.

I wish to mention just one other thing, as other speakers have done, before I go on. The Prime Minister said here to-night, in reply

to the member for Red Deer (Mr. Speakman), that even if this contract went to a special committee the government was ready to accept whatever proposal the special committee made.

Mr. MACKENZIE KING: Is my hon. friend referring to my remarks? I do not think I used the word "accept" at all, I said the government would be prepared to consider any suggestion that might be made by the committee.

Mr. MANION: I will accept the Prime Minister's statement but he went further and said they were ready to deal with any suggestion which the committee might make. I put it to any hon. member in the House if the right hon. gentleman did not go that far.

Mr. MACKENZIE KING: I did not say that the government would "accept".

Mr. MANION: The other evening in reply to the hon. member for Vancouver Centre (Mr. Stevens) the Prime Minister made the statement:

Mr. Mackenzie King: The agreement will be passed just as it is, it cannot be trimmed up.

Which statement from the Prime Minister are we to accept, the statement made the other day or the statement made to-night?

Mr. MACKENZIE KING: If my hon. friend will read the words that occasioned that reply he will see the relevance of it.

Mr. MANION: I do not wish to waste the time of the House, but if the Prime Minister insists I will do so. This is before the reply in question of the Prime Minister.

Mr. Stevens: I rather suspected that—

In reference to some remark by the Prime Minister.

—I rather suspected that the government would be anxious to get this agreement to a private committee away up somewhere so that they could trim it up in order that it might be a little more presentable.

Mr. MACKENZIE KING: Yes, exactly.

Mr. MANION. I go on to quote:

Mr. Mackenzie King: The agreement will have to pass just as it is. It cannot be trimmed up.

Then a little lower down Mr. Stevens said:

My right hon. friend stated a moment ago that this agreement stands and not a letter of it can be changed.

Mr. Mackenzie King: It does stand.

So it is the case of the gentleman who said "You can pay your money and you can take your choice." We can either take the statement of the Prime Minister to-night in reply to the hon. member for Red Deer, or we can take his statement the other day in reply to the hon. member for Vancouver Centre.

[Mr. Manion.]

Now Mr. Speaker, I am not going to deal with this agreement from the standpoint of a transportation man, nor from the standpoint of a lawyer, nor from the standpoint of a shipper; I am going to try to deal with it in a very brief way from the standpoint of the ordinary man in the street, the man who looks at the agreement just as the ordinary citizen should look at it, and I am going to make whatever brief observations I have to offer from that attitude.

In the first place the thing that strikes me and, I believe, the thing that strikes anybody in looking at this proposition is, that it is either based upon or supported by —we understood at first "based upon" but now they say "supported"—a report of W. T. R. Preston. I do not know Mr. W. T. R. Preston but I do know that very many charges have been made against him of political trickery, if you wish to put it that way. I do know that Mr. W. T. R. Preston is a man who is discredited among ordinary people. That is the feeling of the ordinary man towards W. T. R. Preston; and I find myself asking why this government, representing the people of Canada, should have chosen Mr. W. T. R. Preston, when they had so many respectable outstanding lawyers, so many respectable business men in the Liberal party to choose from. If you look over the report—and I have looked it over and studied it fairly carefully—you will feel that the report is plainly the irresponsible report of an irresponsible man. It is particularly notable for its attacks upon outstanding men in the shipping business, not only in Canada but in Great Britain. It goes so far, Mr. Speaker, as not only to accuse these men of being crooked but to accuse them of being traitors to their country. Because if you read the report you will find that again and again Preston gives evidence—evidence, according to this statement, satisfactory to him —which proves to himself at any rate, that these men are conspiring—I could quote his actual words but I shall not take the time— are conspiring against Britain, are conspiring against Canada, in favour of Germany, in favour of Holland, in favour of the United States, and in favour of practically every other country in the world. Well, I have no brief in any shape, manner or form for the shipping men, either in England or in Canada —I presume they are well able to defend themselves—but I must confess that I believe somewhat in the old British principle that men should be regarded as innocent until they are proven guilty. But Mr. Preston takes the reverse attitude; he believes,

apparently, that men should be considered guilty until they are proven innocent.

There seems to be throughout the whole country to-day a tendency to accuse any men who are in big business of being crooked, just the same as there is a tendency throughout this country to-day to accuse any man who is in politics of being a grafter. It all comes apparently from the same line of thought. It is, apparently, due to a diseased mentality on the part of a great many people that they seem to think that most of the members of this House, of any party are out for graft or crookedness. Well, I might say this now, although I did not intend to, that I have been a member of this House for eight years and never have I heard or seen of any crookedness going on, never have I been offered graft in any shape, manner or form.

As to the lobbying which the Minister of Agriculture spoke of a few moments ago, and which he says is going on at the present time in regard to this contract, I have seen nothing of it and I doubt whether anybody else has; I do not think there is anything in the charge. I believe, Mr. Speaker, that most men, whether they are big business men or small business men, prefer to deal with their fellow beings, with their fellow corporations, in an honest manner. For example would it be fair to assume that the leading men of the great Canadian Pacific Railway—Mr. Beatty, Mr. Grant Hall, Mr. D. C. Coleman, Mr. Lanigan and the others, the chief men of that company—have not the interests of this great Dominion of Canada at heart? Why the Canadian Pacific Railway is as much dependent on the success and prosperity of the Dominion as any individual in this country is dependent upon the success and prosperity of Canada. So that I think the whole attitude that Mr. Preston took in dealing with this investigation—if investigation it can be called, because most of these companies, in a statement that all hon. members have received, claim they never saw or heard from Mr. Preston, so that I doubt if what he did can be called an investigation—is open to suspicion. Anyhow I believe we should regard most of these men as innocent until they are proven guilty.

There is another observation I wish to make, and that is as to the uselessness of the scheme as proposed in this contract. Here we have a proposition to engage from Sir William Petersen ten ships. Now it has been shown here again and again—by statements which have not been refuted and which nobody attemps to refute—that these ten ships could make perhaps 5 per cent of the trips next year to Montreal if they were all on duty, perhaps 4 per cent. According to figures I have seen there were some 1,200 trips made by various lines of steamships to Montreal last year. The most anybody claims for these ten ships is that they could make fifty or sixty voyages to the port of Montreal. Now what possible effect could fifty or sixty trips have upon the other eleven hundred trips into the port of Montreal? What possible effect could 5 per cent of shipping have upon the other 95 per cent? It appears to me like an attempt to dam back Niagara with a broom. And for these ten ships the people of Canada are asked to put up in round figures $1,350,000 per annum, and with any increase in the number of ships that subsidy will be increased pro rata; and it has been pointed out by the hon. member for Red Deer, the hon. member for Vancouver Centre, the hon. member for Burrard, and by others, if these ships were used, for example, in the handling of wheat alone they could not handle more than about 13,000,000 bushels out of the 150,000,000 bushels that were shipped from Montreal last year—in other words they could handle about 8 per cent of the wheat shipped from Montreal if they had nothing else but wheat to carry throughout the whole season. What effect would the lowering of the rates on that eight per cent of wheat have on the other ninety-two per cent?

I am not so sure of this fact, but I am informed that if the ships were devoted to the cattle trade alone they would be able to handle only one-half of the cattle leaving the port of Montreal. That I suppose is correct; I do not think I have over-estimated it. But if they could handle only half of the cattle shipped out what would be done to take care of the other half? Are we to subsidize a shipping concern merely for one group, and that a small group, of people doing business in the country? What about the exporters of wheat, the manufacturers, and the other shippers in the country?

It is true that the rates have been increased since 1913; no one disputes that. But everyone admits, as does the hon. member for Brome (Mr. McMaster), that the expenses of the companies have also gone up. That hon. gentleman speaking on the floor of the House of Commons the other day admitted that the expenses of the companies had gone up one hundred per cent. If this is so, the companies have only increased their rates in accordance with the advance that has been made in their expenses, according to the hon. member for Brome. Now, to make this scheme effective at all, there is only one thing

to do, and that is to subsidize a larger number of ships. In other words, at a rough guess, I should say that to make the scheme reasonably satisfactory, it would be necessary to subsidize forty more ships, so that there would be five hundred trips. This would be indispensable if it were really intended to control Atlantic shipping rates to any extent. That would be fifty ships in all, or five times the number now proposed; that is to say, we should have to spend five times the amount of the present contract of $1,350,000. That would represent a total expenditure of some seven million dollars per annum. How long would the people of this country consent to put up even half that amount every year for the purpose of subsidizing just a portion of our shipping?

There is another clause in the agreement which I desire to touch upon, and as I am not a lawyer I shall give to the House the interpretation which a prominent legal friend of mine has placed upon it, and which interpretation, I may say, has been endorsed by two other lawyers of my acquaintance.

Mr. POWER: Will the hon. member give the names of those lawyers?

Mr. MANION: Oh no, that is not necessary, but I will introduce my hon. friend to them outside, one of these days. Let me read from the third clause of the contract:

3. And it is mutually covenanted and agreed between the parties hereto that the subsidy payable to the contractor in the preceding paragraph is based on the operation and maintenance of a service of ten ships and the subsidy aforementioned shall be increased or reduced as the case may be in proportion to the number of ships operated and maintained by the contractor in the service aforesaid from time to time and such increase or reduction of subsidy shall be added to or deducted from the monthly payments hereinbefore provided for in paragraph two.

I have consulted a prominent lawyer on this clause and his interpretation I have submitted to two other legal gentlemen both of whom concur in it. According to this interpretation, clause three of the contract gives to Sir William Petersen the right to increase the number of ships to any extent he wishes, and he may come to this government at any time and demand an increased payment in proportion.

Mr. CAHILL: How would the government obtain the money without its being voted?

Mr. MANION: The government has signed a contract by which it agrees either to increase or decrease the number of ships that are to operate, and I submit that once the agreement is accepted and ratified by parliament Sir William Petersen can increase the number of ships and the government, without coming to parliament, can pay any increased amount he may demand. At all events, Sir William Petersen, if the interpretation which I have received of this clause is sound, could sue for damages in those circumstances if he were not reimbursed for any further expenditures he might make in connection with the increased number of ships he might put on. Of course, I am simply placing this interpretation before the House as it has been given to me. My authority carries no weight; in fact, I have no authority so far as the legal aspect of the case is concerned, for I have not had the training of a lawyer. But reading the clause as it stands in the contract, I should think that the interpretation I have cited is reasonable.

Mr. MACKENZIE KING: The government has Mr. Lafleur's opinion to the contrary.

Mr. MANION: That may be so, but one of these gentlemen whom I have consulted is as prominent as Mr. Lafleur.

Mr. DUFF: Whereabouts in the contract does the hon. member see any suggestion that the number of ships may be increased above ten?

Mr. MANION: Clause three distinctly declares that Sir William Petersen may increase the number if he desires to do so.

Mr. DUFF: Not the number of ships.

Mr. MANION: Let me read a part of the clause again:

And the subsidy aforementioned shall be increased or reduced as the case may be in proportion to the number of ships operated and maintained by the contractor in the service aforesaid.

Mr. DUFF: Read before that; the number may be up to but not above ten.

Mr. MANION: It does not say so; that at least is not my interpretation of the clause, nor is it the interpretation of these lawyers.

Mr. DUFF: Who are these lawyers?

Mr. MANION: That does not matter; my hon. friend can get the opinions of other lawyers if he wishes.

Mr. DUFF: The meaning is obvious enough without the opinions of any lawyers.

Mr. MANION: My hon. friend may be able to see these things with a clear eye, but lawyers who are trained in interpreting matters of this kind do not see eye to eye with him on this particular question.

Mr. DUFF: Lawyers differ.

Mr. MANION: So do shippers.

Mr. DUFF: No, they agree, and that is why there is a combine.

Mr. MANION: At any rate, according to my interpretation of the clause, which as I say is only the interpretation that competent lawyers have put upon it, this whole contract is made to take care of Sir William Petersen and not to protect the interests of the country at large. A few weeks ago I read a quotation from one of the English newspapers in which Sir William Petersen was represented as having advised his shareholders not to sell stock. "If you wish to sell any stock," he is reported to have said, "sell it to me; I will buy it from you." That was quoted from the English newspapers, and this was before the contract had been laid before parliament. It is no wonder, then, that he takes that attitude, for the contract is all in his favour.

Now, I will consider the contract from the financial point of view. The cost of these ships is admitted to be about six million dollars, that is to say, some six hundred thousand dollars each.

Mr. MARTELL: I presume that the hon. member has read subsection (c) of section one. That paragraph provides that the service shall begin with ten ships, and towards the end it states:

> The said service to commence with at least six ships not later than June 15, 1925.

Now, I do not want to oppose my knowledge of law to that of eminent lawyers who have considered this contract. But where the minimum is prescribed as six, how can you fix a maximum higher than ten, when the contract provides that the number of ships shall not be less "than ten?"

Mr. MANION: But there is a subsequent clause which provides that by mutual agreement the number may be increased above ten.

Mr. MARTELL: I do not know that anyone is objecting particularly to that. Speaking as a private member, I should say that no one would take any exception to such a provision, for if the scheme is to be effective there should be some leeway. But under subsection (c) of section one it would seem that a minimum of six is provided, and the maximum is laid down at ten.

Mr. MEIGHEN: The hon. member will see at a glance that it is a maximum which is compulsory on Sir William Petersen; that is all that he is obliged to provide. But the clause quoted by the hon. member (Mr. Manion) shows that if Sir William Petersen provides more ships he must be paid accordingly.

Mr. DUFF: The maximum is ten.

Mr. MANION: Hon. gentlemen may interpret the contract for themselves just as they please. I have given the interpretation of three lawyers, and that interpretation appeals to me as reasonable. To proceed with the financial aspect of the matter. It is admitted that if these ten ships are built they will cost some six million dollars, and the subsidy is to be $1,350,000, which amounts to about twenty-two per cent per annum on the total. Now, if Sir William Petersen runs these ships so as barely to clear his expenses he can use ten per cent of that twenty-two per cent to pay off a sinking fund and interest on his loan and he can take the other twelve per cent for himself. This would be a pretty fair return for Sir William Petersen. Let me put it in another way. Let me take the same figures again, $6,000,000 as the cost of the ships. Supposing Sir William Petersen borrows this money and wishes to pay it back at the rate of 10 per cent per annum. That would mean that he would pay back $600,000 of principal each year for ten years. As this money would be advanced on a government guarantee, he would get it at 5 per cent interest, and his interest on $6,000,000 would be $300,000. That means that he would have to pay $900,000 out of his $1,350,000 in the first year. If he can, in the first year, run his ships without loss, just with them paying their way, without any profit—and it must be remembered that he is going to be provided with cargoes because the government naturally is going to help him to get cargoes through the Canadian National railways—Sir William Petersen will have $450,000 profit in his first year. The second year he will have a profit of $480,000—I am giving round figures because I do not wish to get down to exact figures—for the reason that in the first year he will have paid off 10 per cent, or $600,000 on the principal, and, therefore, will have $30,000 less interest to pay. The next year he will have another $30,000 less interest to pay and so on. At the end of ten years Sir William Petersen would own the ten ships. He would have paid off the 100 per cent at the rate of 10 per cent per annum. He would have paid off his interest and sinking fund completely and he would also have a profit of from six to seven million dollars.

An hon. MEMBER: Plus the ships.

Mr. MANION: Yes, plus the ships. That is provided that he just carried himself along.

Mr. DUFF: Would it not all depend upon what rates the government would fix upon the commodities those ships carried?

Mr. MANION: Yes, it would.

Mr. DUFF: For instance, if the government fixed the rates too low, Sir William Petersen or anybody else would lose a good deal of money.

Mr. MANION: He would quit.

Mr. DUFF: If the government fixes the rates high, he makes money.

Mr. MANION: If the government makes the rates too low, Sir William Petersen quits and there is no penalty clause.

Mr. DUFF: Then my hon. friend's argument falls to the ground.

Mr. MANION: If the government fixes the rate so low that Sir William Petersen will quit, then the agreement is a bigger bluff than we thought it was.

Mr. MARTELL: There is no penalty clause provided for either party, but would Sir William Petersen not be amenable according to the ordinary principle of law, to damage for breach of contract?

Mr. MANION: There is no sign of any clause to that effect in the agreement. The penalty, so far as I can see, will come in on the people of Canada.

Mr. MARTELL: My hon. friend knows quite well that it is incident to every contract that if a man is guilty of a breach, he is liable for damages.

Mr. MANION: I understand Sir William Petersen is going to hand this over to a company, but the company is not liable under the agreement. There is no penalty clause in any manner, shape or form so far as I or anybody else can find out.

Supposing this is going to be made effective; supposing the government carries this out with Sir William Petersen, Sir William supplies more ships, and the thing is so effective that Sir William Petersen is carrying enough freight to interfere with rates on the Atlantic, then there is the risk of bringing about on the ocean the same condition as this government brought about on the lakes. In other words, there is the danger of driving the tramp steamers from the ocean altogether. The hon. member for Lunenburg (Mr. Duff) is a good shipping man and he will remember that when the legislation in regard to freight rates was passed, which the Minister of Labour claimed was going to burst up some of those combines, trusts and mergers of which he talked so much, what it did was to drive from Canadian lakes American shipping which stayed away from the lakes until the Board of Railway Commissioners, on the advice of the Department of Trade and Commerce, went across to the American shippers and asked them to come back into Canadian waters and to ignore the law which this government had put on the statute books.

Mr. DUFF: My stand was quite all right on that.

Mr. MANION: I am not questioning my hon. friend's stand in that regard. He is always right. The only thing I would suggest to him would be to join up with the party in which he believes and that is over here.

Mr. DUFF: I have had an invitation already.

Mr. MANION: The danger, to be serious, is that our last condition may be worse than our first, because we must not forget that these tramp steamers have been handling a large proportion of the grain out of Montreal. Last year tramp steamers out of Montreal handled from fifty to sixty per cent of all the wheat that went from Canada and they got at the same time higher rates in handling it than were given to the ships in the conference, the reason being, as I figure it out, that the conference lines have a regular schedule of trips. In other words, they have to sail from Montreal on certain stated days, and they have at times to take wheat, for example, at lower prices for ballast. Therefore, they do cut down below the tramp ships in rates. It is stated in some of the statements that we have received here,—and it has not been refuted—that tramp ships handled one-third of the grain that went from Montreal last year to the United Kingdom.

An hon. MEMBER: Sixty-two per cent.

Mr. MANION: According to my figures, two-thirds of the wheat going to British ports was handled by the conference ships and one-third by the tramp steamers. But of the wheat handled all over the world, that is to Italy, France, Spain, Germany and so forth, about 62 per cent was handled by the tramp steamers. As I say, of wheat going to the British Isles, the tramp steamers handled one-third last year. On that one-third, they got eleven pence per quarter, which, according to my figuring, is 22 cents for eight bushels, or roughly, a little less than three cents a bushel

more, for the 15,000,000 bushels they handled than the conference got for handling the 30,000,000 bushels which they handled.

Mr. MARTELL: If by this agreement the government is to pay only for services performed, that is, if the services have to be performed before the government pays anything, how can the government be mulcted in damages by an action at law?

Mr. MANION: That is a legal question and I do not wish to get involved in legal questions. I am not a lawyer. My hon. friend is a lawyer and he can make a speech later on and argue as he chooses. I have given the interpretation as it was given to me by three eminent lawyers.

Mr. MARTELL: I was asking my hon. friend only for information.

Mr. MANION: I do not mean to be offensive towards my hon. friend, but he will pardon me if I go on with my argument. We all take the attitude that a fair day's work ought to be given for a fair day's pay, or, putting it the other way, that a fair day's pay ought to be given for a fair day's work. Exactly the same thing should be true in regard to capital and labour. One is about as important as the other. You cannot very well develop a country just by labour or just by capital. You need both capital and labour. Therefore you should give a fair return to capital. Yet, practically all these steamship lines, in their statements which have been placed in the hands of every hon. member, claim that within the last few years they have been hardly holding their own, or they have been losing. In the face of that, we are out to cut down the rates. I have a statement here in which they state that three or four of the conference lines running out of Montreal have offered—and the government will deny it if they do not agree with this statement—to permit this government to send any reputable corporation such as Price, Waterhouse and Company, or any other reputable accounting firm, to examine their books in order to see exactly how they have been getting along during the last few years, because they claim that their net earnings have been less under the high rates now prevailing than they were under the comparatively low rates of 1913. In addition to this, it is stated that there are to-day six or eight million tons of shipping tied up for lack of business, and much of that tonnage is made up of tramp ships. Well now, if these were only conference ships the retort might be made that they were being kept idle in order that higher rates might be charged on the ships remaining in commission. But, if the shipping business is such a paying proposition to-day, why do not those tramp ships engage in the business and reap some of the rich profits? It is also stated on the authority of Lloyds that there is to-day fifteen million more tons of shipping in the world than in 1913. Yet under this contract the government is asking Sir William Petersen to still further increase the surplus shipping for which there is no business. This lack of cargoes is one of the reasons why the Canadian Government Merchant Marine is operating at a deficit every year; it cannot get business on a paying basis.

Another point I wish to touch upon very briefly, and I wish to draw it particularly to the attention of hon. members from Montreal, is the danger, which I should like some of them to look into, of American traffic which is now going through the port of Montreal being diverted to United States ports if the Canadian government, by subsidizing certain shipping cmpanies, interferes with shipping from Montreal. I do not wish to elaborate this statement, which I have had from good authority, but in such a way that I do not think I have any right to discuss it further at the moment.

In his report Mr. Preston quotes individuals for the most part, he does not quote groups at all. Since his report came out we have had statements from one group at least, the Canadian Council of Agriculture, that it is opposed to the whole proposition as it stands to-day. We have also had an editorial in the Grain Growers Guide quoted in the eastern papers to the effect that the Guide is not enamoured of the proposition.

If I had my way, Mr. Speaker, I would move an amendment that the resolution be taken up this day three weeks, which would bring it forward on April 1, because I think it is one of the best jokes the government has ever put over on the people. This government has put over quite a number of jokes. For instance, the hon. Minister of Labour (Mr. Murdock) had his famous joke that I have already referred to about combines, trusts and mergers, which he threatened to wipe out as soon as he got into power. Of course, he had to have his little joke. The hon. Minister of Agriculture (Mr. Motherwell) who gave us his fine vaudeville entertainment to-night, told the people of the west that if elected he would come down here and have the Chairman of the Board of Railway Commissioners wiped off the map. That was one of his little jokes. And we have had a number of others. For example, the Prime Minister put a good

joke over on the people when he was talking of bringing in free trade to satisfy the west and was advising the east to stick to protection.

Mr. MACKENZIE KING: Hold on! Joke as much as you like, but keep to the truth. When did the Prime Minister ever talk of bringing in free trade?

Mr. MANION: He talked of it in his 1919 platform to a great extent, and, furthermore—

Mr. MACKENZIE KING: There is no joke in putting on record a number of things that are not true.

Mr. MANION: My hon. friend the Prime Minister is pretty much an adept at that himself. He went out in the prairie provinces and told the Progressive members, not once but many times, to link up with him because his and their platforms were the same. Would the Progressives claim that their party is not for free trade? They are all for free trade.

Mr. JOHNSTON: No.

Mr. MANION: I do not know what the hon. whip of the Progressive party would claim. He has been more things than I have.

Mr. JOHNSTON: The hon. member for Fort William has made a direct charge that I have been more things than he has. I have at least stuck to principle. I have never, Mr. Speaker, departed from principle, and that is what my hon. friend has done.

Mr. MANION: My hon. friend makes a mistake. He means he has never departed from party. I have stuck to principle, but he has stuck to party. Of course, he has got as a reward recollections of a very pleasant trip to Wembley exhibition at the cost of the people of this country. What I was saying when the Prime Minister so jovially interrupted me was that the right hon. gentleman has had a lot of jokes at the expense of the people of this country on many occasions, for example, first implying to the western people that they were going to get free trade if they joined up with him.

Mr. MACKENZIE KING: I never implied anything of the kind.

Mr. MANION: And then he told the people of the east that he was sticking to protection. At the present time the joke is that we are going to have a pause in tariff tinkering, but nobody knows for how long. But of all the jokes ever put over on the people of Canada I sincerely believe the present is the best. If the Minister of Agriculture would support me I would move that we take up this question this day three weeks, when it could be brought forward on April 1, all fool's day.

Mr. MARTELL: Who is going to be the April fool, you or the Minister of Agriculture? I think you will be.

Mr. MANION: I think we will go down to Nova Scotia and get the fool.

Mr. T. G. McBRIDE (Cariboo): Mr. Speaker, in rising to take part in this debate, I do not want to find any fault with the government; I think it deserves a great deal of credit for investigating a problem of this kind that has been before this House at least since I came to Ottawa. Now, Mr. Preston states that there is a gigantic organization, indeed a conspiracy, to prevent competition in ocean transportation to and from Canada, a combine which, according to his statement, includes the British steamship companies. There is also, he says, an insurance combine. Indeed two gigantic organizations united to work against the interests of the agriculturists, manufacturers, fruit producers, importers, merchants, lumbermen, the pulp and paper industries, labour—in a word, against the great struggling masses of the Canadian people. In my judgment, Mr. Speaker, that last sentence is what one might expect from a third-class tap-room politician, and should never have been recorded in a report of this kind.

Now, according to his report, he has secured information from many sources. Where does he get it? He gets some of it from the manufacturers, a class of people enjoying from twenty to thirty per cent protection, and now they want freight rates lowered so that they can make still greater profits. Was that a proper organization for Mr. Preston to get information from? I would say not. He also gets information from the Lethbridge Board of Trade. What does that board know about the difficulties of navigation? They passed the following resolution:

> Therefore be it resolved that the Canadian government be urged to take such steps as may be necessary to have Atlantic rates on cattle reduced to a point where cattle from Alberta can be profitably exported to the United Kingdom.

But they do not say that they should bring profit to the steamboats.

Now, in regard to freight rates I do not know that I will cover the ground that has already been covered, but I will give my personal experience in that connection. If the government want to verify the figures that I am about to give, they can go to the firm

of T. G. McBride and Company at Vancouver and get them. In 1904 I went into the freighting business. I built a steamer. At that time and for many years afterwards we carried lime, for instance, at 10 cents a barrel of 225 pounds, and if we got a full cargo we often carried it at 8 or 9 cents a barrel. At that rate we made a profit on our investment. To-day we are getting 25 cents for a barrel of 200 pounds, and we make less profit than we did when we were carrying the lime at 10 cents a barrel. Now, the question may be asked, what accounts for the difference in the expense? I will give you some items, and I may say I got the figures from my office at Vancouver. In 1900 and up to 1912 a captain got $85 a month, which included board and a place to sleep on the boat; now he gets $170 a month. An engineer at that time got $65 a month; now he gets $150. The mate then got $50; now he gets $110. The second engineer got $40; now he gets $105. The deck hands then got $35; now they get $75. The cook got $26; now he gets $80. These wages are not at all too high. From 1896 up to 1912 the poorest paid class of labour, taking into consideration the responsibility involved, were the steamboat men and the railway men. Now they are getting a fair wage, and the consequence is that freight rates have to be increased to meet it. But that is not all. In 1900 and up to 1912 our fuel cost us $2.75 a ton; now we pay $7.50—quite a difference. Not only that, but take the question of insurance. A boat is insured for what it is worth. At that time if a boat cost $20,000 and was insured at her full value, the cost at the usual rate of 7 per cent would be $1,400. To-day that same boat is worth $40,000—cannot be replaced for less; therefore it is insured for $40,000 and instead of paying $1,400 for the insurance we pay $2,800. But that is not all. You have to keep the crew insured; there was none of that in previous years. You have got to pay harbour dues; that was not done previously. You have got to pay sick mariners' dues—I may say that that act was passed in 1920 by the previous government. Moreover, we carry most of our freight on the Pacific coast on scows, upon which there is no crew.

Mr. MARTELL: Will my hon. friend allow me to correct him? I simply wanted to point out that the law with respect to sick mariners' dues was passed long before 1920.

Mr. McBRIDE: It was passed in 1920. I can show that by a letter I have from the Deputy Minister of Marine and Fisheries.

Mr. MARTELL: The same principle had been adopted before.

Mr. McBRIDE: According to this letter from the department the act was passed on July 1, 1920. We have to pay sick mariners' dues on these scows, under the act. Then we have to pay personal property tax on the boat, to the provincial government. Then we have to pay income tax, if there is any income, not only to the Dominion government but to the provincial government. Taking all these things into consideration, how can it be expected—and this is one point, I notice, that has been left out of this debate—

Mr. DUFF: My hon. friend refers to coastal shipping, not to Atlantic or Pacific shipping?

Mr. McBRIDE: I am referring to shipping on the Pacific coast. How can people expect the same rates to prevail now that prevailed some years ago? In the United States the government fixed the rates on the Pacific coast, minimum and maximum, and if those rates are cut or exceeded there is a fine of anywhere from $5,000 to $10,000. That means that they get a better rate; in fact, they are getting anywhere from 10 to 57 per cent more in Puget Sound than we do ni the British Columbia waters. It means that when there is a slack time they can operate their boats even at a loss, and keep their crews working whereas on our side of the line we are working very largely without profit or rather we are not making a fair profit on our investment and we have to discharge our men and tie up our boats when the slack time comes.

We have heard a great deal about the carrying of passengers. Mr. Preston points out in his report, if I remember rightly, that about 1894 passengers were carried from the Old Country to Canada for $17. I will admit that passengers were carried for $17 at that time, for that is the amount I paid when I came to Canada. But what was the accommodation given? What did we get for $17? Well, I will tell hon. members, for their information; there were two men in each stall —I will not call it a berth. The stall consisted of a compartment, I would say, four feet wide, six feet long and about seven feet high. There were two shelves in each compartment, made of boards each nine inches wide, no mattress, no blanket; absolutely nothing to lie on except those two nine-inch boards. Give some of our immigrants that accommodation to-day and what would they think of it? As for the food, at no time during that voyage did any of the steerage passengers get sufficient food to

satisfy hunger, unless they went to the galley and bought it. They had to supply their own utensils and keep them clean. Will any person who wants to be honest and fair make a comparison between what the rates were then and what they are now? Last Easter I was down at Halifax and I had the privilege of going through one of the passenger boats there. I took particular care to go through the steerage department. What did I find? Good clean mattresses in each compartment. Some of the compartments would contain two berths, some three, and some four to accommodate families, and in every one of them you would find every accommodation that you would get in a hotel. Their food is first-class, and is served at the table on clean tablecloths. Is there any comparison between the accommodation the people are getting now and what they got then? If the government would take five or six of their merchant marine ships and provide the accommodation that passengers used to get at the same rate, I venture to say they would not get twenty-five passengers a month. The trouble with the public at the present time is that they demand a certain standard of service, and those engaged in the business are willing to provide them with that service, but the public are not willing to pay for it; they want to let the other fellow pay. And why should the taxpayers of this country be assessed, to give accommodation to a certain class of people?

In conclusion, I can see no good point in this Preston report from start to finish. It says a whole lot about insurance and a combine on insurance. I have been insuring boats for the last twenty years, and I will say this for the insurance companies: I have always got a square deal. I have always found them wanting to give a square deal to their customers. They have to do this to get the business. There are different ways of insuring boats. In some cases an insurance company will take off 33⅓ per cent, new for old; that is, if a boat goes on the rocks and loses her keel, and a new keel has to be put in, they will take a third off, new for old, considering the new keel is worth one-third more than the old. There are other ways of insuring. In some cases you will get no insurance unless damage is done to the extent of 10 per cent of the total value of the boat. Others will insure in this way; If you knock a blade off your propellor, they will replace it Taking them as a whole I have found insurance companies willing every time to act fair and square with the people if the people are willing to act square with them. I have done shipping to Australia; some years ago I did quite a lot of shipping to Honolulu and the Old Country, and I have got considerable material from the Old Country in the days when it came round the Horn, and I found the shipping companies as a whole always wanting to do what was right. Their freights might be a little high sometimes, but they must have a profit, for their ships are often tied up and they require a profit that will allow for depreciation. When I came to this country first the Canadian Pacific had three of the finest ocean going steamers, I guess, that ever were launched—the Empress of Asia, the Empress of China, and the Empress of Japan. They were a credit to any port, but within the last six years the Canadian Pacific has had to scrap those steamers. Why? Because the public in general demands a better service. They want swimming pools aboard their boats; they want baths and gymnasiums and the like; but the trouble is they do not want to pay for the accommodation. I cannot support this resolution.

On motion of Mr. Duff the debate was adjourned.

On motion of Mr. Mackenzie King the House adjourned at 11.41 p.m.

END OF VOLUME I.